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NEWS SUMMARY

GENERAL

Syria tries for Beirut peace

Bomb blasts and running gunbattles throughout Beirut brought Lebanon its worst fighting since the 1958 civil war. In the sixth day in the current spate of strife between Right- and Left-wingers, 35 were killed and 200 wounded, bringing the week's toll to 90 dead and 350 injured.

Measure of the seriousness of the situation was the impending arrival of Syrian Foreign Minister, *Abdel Halim Khaddam*, in mediation efforts and the Iraqi call for an Arab League emergency meeting. But President Franjieh decided against bringing in the army and settled for a state of emergency.

Meanwhile, Israel faced a crucial week of decision in the face of a virtual U.S. ultimatum to give up the Giddi and Mitla passes in Sinai to get an interim agreement with Egypt. **Page 8**

Ennals and Smith talk

A secure future for all Rhodesians, familiar-enough British aim in the prolonged settlement dialogue, was restated by Foreign Office Minister of State David Ennals when he arrived in Salisbury.

Saying he had come to listen rather than talk, he met Mr. Smith and an ANC delegation including Mr. Nkomo. **Back Page**

Exodus from Uganda likely

A considerable exodus of Britons *from Uganda is expected within the next few days, writes* **John Worrall from Nairobi.** Britain's acting High Commissioner in Kampala has made contingency plans for an airlift.

Yesterday, Kenya's President Kenyatta ordered release of the giant road transporters carrying arms for Uganda and these are now on their way. Uganda's High Commissioner in London was recalled at the weekend. **Page 8**

Students freed

Last of the four students kidnapped by Zaire's Marxist dissidents from Tanzania *nearly* six weeks ago is expected to be released in a few days. Last two of the three women originally held were freed over the weekend. Carrie Hunter and Emilie Bergman said on arrival in Dar es Salaam that release terms would not be revealed until *Kenneth Smith is freed.*

Peron rebuff

Argentina's President Estela *Peron seemed determined on a* headlong clash with the country's labour force as she refused to ratify the General Confederation's new wage rise agreements of more than 100 per cent. *Labour's response to this unprecedented Peronist rebuff will be decided to-day: it could be a general strike which might* topple the regime. **Page 8**

Battles in Burma

Burmese government troops killed more than 120 Communist insurgents *in* a six-day battle in eastern Burma on the Chinese border, Rangoon officials said, disclosing for the first time a fresh flare-up in the region.

People, places

South Bradford MP Tom Torney wants urgent action over claims that many hair dyes may contain chemicals suspected of causing cancer.

And West Gloucestershire's MP John Watkinson is to urge training periods for judges before *they sit on the bench.*

Ships in Port Said put to sea as a huge warehouse fire threatened the port over the week-end. Smoking workers are suspected of starting it.

50,000 Premium Bond winner (2FP 822266) lives in St. Helen's.

Hard to swallow, but sole cure for beer drinkers whose summer pints bring on hay fever is—give up, advises a leading allergy clinic.

BUSINESS

Food bill reaches £3.46 a week

● **WEEKLY** food bill for the average British family rose to a record £3.46 per person in the first quarter of this year. This is 6.4 per cent. more than in the final quarter of 1974, and nearly 19 per cent. higher than a year ago. **Back Page**

The figures, from the Ministry of Agriculture, coincide with the latest FT Grocery Prices Index. The FT "shopping basket" cost 5.2 per cent. more than last month, and was 30 per cent. dearer than at this stage last *year.* **Page 9**

● **TEN PER CENT.** wage increases would reduce inflation to 10 per cent. inside a year, but would produce a temporary nine per cent. cut in living standards, according to stockbrokers Philips and Drew. **Back Page**

● **JAPAN** may be asked to restrict car exports to the U.S. according to Government sources. On Friday, the U.S. Treasury announced plans to investigate whether imported vehicles had been "dumped" on the U.S. home market.

● **FORD** is expected to restart excluding delivery charges from *its listed prices for cars,* after ten years, making its prices directly comparable with other manufacturers.

Chrysler has followed Friday's move by Vauxhall and raised its average prices by 5.5 per cent. **Page 7**

U.S. second gold auction to-day

● **U.S. TREASURY** is to hold its second public gold auction to-day. Some 500,000 ounces of *the metal will be on offer.* **Page 8**

● **NATIONAL CARRIERS** is *devising a new "door to door"* parcel service between Britain and the Continent to be operative in the autumn. **Page 7**

● **NATIONAL SAVINGS** "inflation-proof" Save-As-You-Earn scheme, for monthly investments of between £4 and £20, comes into being to-morrow. Repayments are tied to the Retail Prices Index. **Page 7**

● **PROCTER AND GAMBLE'S** Japanese subsidiary has taken a 90-day option on the principal toilet soap assets of Mitsuwa. **Page 30**

ITV blackout lifted for talks

● **THREATENED** blackout of ITV was lifted last night to allow fresh talks on a 25 per cent. pay claim by the Association of *Broadcasting and Allied Staffs.* **Page 6**

● **COMPAGNIE FRANÇAISE** des Petroles, France's largest oil group, has reported sharply lower sales for the first quarter of the current year and is not expecting any substantial upturn *until at least the third quarter.* **Page 29**

COMPANIES

● **ARRANGEMENTS** have been completed for the placing of 800,000 Ordinary 25p shares in Walter Lawrence at 55p a share. **Page 28**

● **DUNFORD AND ELLIOTT** taxable profits for the 26 weeks ended March 29 were £1.2m., but the chairman warns that a significant reduction in group profits cannot be avoided in the second half. **Page 28**

● **BERKELEY HAMBRO,** a partner with Bishopsgate Property and General Investments in *B and C Property (Europe)* is taking a five year option to buy Bishopsgate's half share in B and C for Frs.1.45m. **Page 28**

Wage curb will cut price rises in six months—Jack Jones

BY LORELIES OLSLAGER IN BLACKPOOL

Trade union wage restraint along the lines now being discussed in the TUC should begin to show an effect on prices within six months after coming into operation, Mr. Jack Jones, general secretary of the Transport and General Workers Union, said last night.

On the eve of his union's policy-making conference in Blackpool, where the Left-wing is preparing a determined attack on the social contract and any other form of pay restraint, Mr. Jones made a rousing appeal for support.

Britain was in a time of crisis and the trade union movement had to make a "supreme effort" to avoid the possibility of a statutory wage policy or massive *cuts in public spending, both of* which would hit the working classes much harder than voluntary restraint.

If prices were not held back, Mr. Jones held out little hope for moderation on the wage front for more than a year.

The TGWU leader, who has been the prime mover of a revamped social contract to beat inflation, stressed that wage restraint must on no account lead to reduced *standards of living for* people on small incomes, such as the lower paid and old-age pensioners.

People on high incomes, on the other hand, ought to volunteer to accept a cut in their incomes to ensure what he described as "equality of sacrifice."

Mr. Jones suggested that the unions' £30 target for the minimum weekly wage should be *revised upwards at the TUC's* next annual congress in September. Just to keep up with inflation, the target ought to be £38 by then, he added.

Although Mr. Jones would not be drawn on what the flat rate *rise might be,* his minimum wage proposal points to an £8 rate—which would be midway between the £6 implied by the Government's 10 per cent. pay rise target and the £10 maximum popular with many unions.

He called for a further increase in old-age pensions early *next year to bring them up to* 50 per cent. of average weekly earnings for a married couple and to 30 per cent. for a single person — £25 and £17 a week respectively.

Thereafter, pensions ought to be adjusted every quarter to keep them in line with the cost *of living.*

Restraint

The hoped-for policy of wage restraint, the brunt of which ought to be borne by middle and high-income earners, must be accompanied by strict price restraints and measures to keep down unemployment, Mr. Jones added.

He called for a 12-month freeze *on prices of food and clothes,* rents and public transport fares.

The mechanisms for controlling other prices did already exist, but had to be tightened so that British *society* was seen to be moving away from a "free for all" to a "fair-for-all policy."

[Interviewed later on ITN *News at Ten, Mr. Jones said that* if companies were put into financial difficulty because of strict price controls, the Government should make use of the proposed employment subsidies in order to safeguard jobs.]

The country should have an indication of the way prices were moving within six months of the policy of wage restraint coming into operation, he added.

If prices did not respond then, the trade union movement would have to reconsider its approach. But he also stressed that the wage restraint policy was being conceived to last for a full 12 months.

The TGWU leader called on the Government to take steps to encourage investment and housebuilding and to refrain from too drastic cuts of public expenditure.

He was confident that a new attempt to beat inflation would be successful but, echoing remarks made earlier this weekend by Mr. Len Murray, secretary-general of the TUC, Mr. Jones stressed repeatedly that this required what he called "equality of sacrifice." In particular, this meant an offer by the very high paid to accept a cut.

In his speech on Saturday Mr. *Len Murray challenged* newspaper editors and owners, highly-paid television interviewers and Government Ministers to forego their pay rises in the next 12 months.

Saying that he would make a similar gesture, Mr. Murray argued that "people on top incomes should bear the biggest burden of all."

He repeated that the TUC is looking for radical action from *the Government on prices* and for a commitment to reduce the level of unemployment.

Series of talks this week on TUC 'guiding principles'

BY JOHN ELLIOTT, LABOUR EDITOR

A SERIES of high level behind-the-scenes talks involving Ministers and both sides of industry on the future of the TUC's six "guiding principles" for combating inflation are scheduled to take place during the next few days.

These talks will lead up to a *key speech by the Prime Minister* at the miners' annual conference in Scarborough next Monday together with full-scale meetings which will be resumed at the same time. The Government hopes that by then the TUC will have turned its "guiding principles" into a firm plan with precise wage and price targets aimed at bringing the rate of inflation down to 10 per cent. by September next year.

Crucial

Barring any unforeseen *sudden worsening of Britain's* economic position, or a rapid reduction in foreign confidence and the value of sterling, *Ministers* seem prepared to allow this time-table to stand. It fits in with Mr. Wilson's target of evolving a *new* policy within the next two weeks.

The time-table is partly dictated by the Transport Workers conference opening in Blackpool to-day which will detain Mr. Jack Jones till the end of this week. Then, early next week, the issues will be sharpened at the miners' conference which will debate its *new and controversial pay claim,* possibly on the Tuesday after hearing the Prime Minister on the Monday. Both he and the miners' delegates will be aware that the claim will be one of the most crucial factors determining the future of the social contract.

Following these events, on Wednesday next week, the TUC economic committee will hold its regular monthly meeting at *which the final TUC plan will* be discussed in advance of a special meeting of the TUC General Council yet to be arranged. Talks between the TUC and CBI may also be held early next week.

In the meantime, urgent behind-the-scenes discussions in-

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Miners' pay claim, Back Page

volving ministers and CBI and TUC leaders which started after last Wednesday's TUC General Council had produced the six "guiding principles," will be continued.

The TUC has to decide its pay targets—£8 to £10 a week being the most popular figures *at present*—while the Government and CBI are aiming at £6, linked to a 10 per cent. price target. Whether the final figure should be a flat rate sum or be partly expressed as a percentage is also open to debate.

In addition, Ministers will also be trying this week to persuade the TUC that its ambitions, stated in the "guiding principles" to bring unemployment down to 500,000 next year is unrealistic.

The severity of price restraint is also to be considered. Some union leaders consider that a price freeze is essential in order to give any new wage restraint policy the right send-off.

John Bourne, Lobby Editor writes:

The Government is eager that not only should a maximum figure for wage increases in the coming year be voluntarily agreed—the majority of Ministers are still opposed to a statutory incomes policy — but that there should *also be agreement on effective* sanctions to deal with employers who exceed the figure in any wage settlement.

The main sanction being considered is still an amendment of the Price Code, to prevent employers in the private sector *from passing on to customers extra wage costs involved in* exceeding the maximum wage figure. However, Ministers do not want to squeze the private sector so much that companies would be unable to invest in new plant.

Strict

The Cabinet would be surprised if an agreement is ready for announcement by the middle of next month, although they are aiming at one well before the end of July.

In the public sector of industry, Ministers are considering strict *limits to the cash available for* wage settlements, but they admit that foreign opinion is unlikely to be impressed until it sees the Government actually insisting on these limits in specific wage negotiations.

Rescued Aston Martin may start production in six weeks

BY PETER FOSTER

ASTON MARTIN is not expected to begin production of new cars for at least six weeks, despite completion over the week-end of the £1m. rescue operation by the consortium headed by American businessman Mr. Peter Sprague.

Mr. Fred Hartley, general manager of the newly-formed Aston Martin Lagonda 1975, stressed yesterday that the build up to the 8-cars-a-week situation forecast by the consortium would be gradual and would probably take around four months.

For the moment, the new company will merely take on the 75 or so staff whom Mr. Michael Clerke, the receiver, appointed when the company ran into cash difficulties at the end of 1974, to keep its Newport Pagnell factory ticking over.

Mr. Hartley added, however, that the company hoped to be employing between 230 and 250 *people by the autumn.*

The two cheques handed over by Mr. Sprague and his partner, the Canadian businessman Mr. George Minden, on Friday night —*one of £500,000 for Aston Martin's* debenture holder, Company Developments, and the other of £550,000, which will be used to pay off preferential creditors and *to provide a dividend for the* unsecured creditors—will be paid into the bank this morning.

In terms of working capital, Mr. Sprague and Mr. Minden have *guaranteed to underwrite* basic needs. But cash will come from the sale of the 40 completed cars which Aston Martin has at its plant and from the sale of spares. *There are also 60 or so cars at* various stages of completion at the factory and a further 20 completed vehicles in the U.S.

The new company hopes to *raise cash through the "issue"* of 96 equity units at a price of £12,500. Mr. Hartley said yesterday that a large number of people, mainly private individuals, had expressed interest in the investment.

One of Aston Martin's main problems over the next few months will be component supplies. Around 700 companies supply parts to Aston and, apart from the fact that it will take time to start up production of *some specialised parts again* a number of companies may feel that they need to see further evidence of Aston Martin Lagonda's long term viability *before they risk having their* fingers burned again.

Suppliers will no doubt have in mind the fact that the Government's Industrial Advisory Board twice advised against giving State assistance to the ailing company on the grounds that there was little hope of future success.

The new company announced yesterday that it is to raise its prices by around 10 per cent. Mr. Hartley revealed that the company's luxury V8 sports tourer was expected to go up by around £1,400 to £12,750.

EEC plan for united aircraft industry

BY REGINALD DALE

BRUSSELS, June 29.

THE EEC Commission is studying ambitious plans under which the nine *member* States would be called on to place their aircraft industries under a single central authority. This would be along the same lines as the "Schumann *Plan" for coal and steel that led* to the founding of the European Coal and Steel Community in *the early 1950s.*

The proposal, the brainchild of Sig. Altiero Spinelli, the Commissioner for Industry, is not yet official Commission policy, and would have to be approved *by the nine governments. But* Sig. Spinelli is hoping that a decision on the plan could be taken by heads of government at the EEC summit due to be held in Italy this autumn.

National aid

Management of the aircraft industry would be handed over to the Commission, or a Commission sub-agency, which would *also be responsible for disbursing* Community financial aid. Community aid would largely replace the Nine's national aid programmes (currently running at over $400m. a year for civil aircraft alone) which Sig. Spinelli feels lead to duplication and a massive wastage of public *money.*

For military aircraft, the plan calls for the creation of a joint European supply agency which would assess the Nine's future needs, and plan joint aircraft development projects. The agency would decide how far the Nine should purchase existing European aircraft—such as the Mirage F-1, the MRCA and the Jaguar—and negotiate a series of agreements with the U.S. *under which the Americans* would buy European equipment in exchange for European purchases of American aircraft.

The Nine should establish a genuine European market for civil aircraft and bring air transport under Rome Treaty rules, so as to establish a single European air transport policy. The aim should be to create a unified European aerospace industry in which competition would *operate much more freely, as in* the U.S. Internal European services would be rationalised and the Community would negotiate landing rights with other countries as a single unit.

New ventures

The Commission would draw up a joint programme for civil aircraft construction for the next ten years, based on the most *viable existing projects, and a* limited number of new ventures. It would also take over the management of sales to countries outside the Community, backed by a system of Community export credits on the lines of those organised by the U.S. Eximbank.

Mrs. Gandhi holds down dissent

KEVIN RAFFERTY, our Asia Correspondent, flew from India to Bangkok to file this report

MRS. INDIRA GANDHI, India's Prime Minister, has clearly won a ruthless first-round victory in her struggle to stay in power. Flickers and murmurs of dissent have burst out sporadically in *various parts of India, but the* Prime Minister's security forces have suppressed them quickly.

Many people feel misgivings *about what has happened,* including some Army Generals. There is a general awareness that Mrs. Gandhi has crushed democracy, but no critic has the strength or the base from which to act.

Two factors prompted her to act when she did and order the *security forces to make pre-dawn* swoops on Thursday on the homes of 1,000 prominent people, most of whom were awakened from their beds. She was alarmed by the success of the Opposition campaign led by Mr. Jayaprakash Narayan and Mr. Moraji Desai; but equally she wanted to forestall the growing clamour in her own Congress Party to replace her with Mr. Jagjivan Ram, the Food Minister.

Surprise move

Many Congress MPs thought that Mrs. Gandhi ought to have shown more respect for the law and resigned when the Vacation Judge of the Supreme Court refused to grant her an absolute stay on her appeal against conviction for corrupt electoral practices.

In her initial ploy, she appears to have succeeded. Everyone was surprised by the arrests and the declaration of a State of Emergency. The organised Opposition is practically leader*less, and the Congress dissidents* have been cowed. At the same time no-one is quite sure what is going on because of the almost blanket censorship of all news, apart from ceaseless Government propaganda that all is well.

To date the 1,000 or so arrested can have no recourse to the courts. The Government has closed and sealed the offices of at least four newspapers in Northern India. Armed Guards *have been placed round the* University of Delhi in case of trouble. I understand that the authorities have decided that the universities will not open for two months.

The demonstrations that have taken place have usually been small and isolated. There was violence in Ahmedabad, capital of Gujarat. Shops in Patna, Bihar, closed on Friday as a protest. There was some unrest *in Tamil Nadu (Madras) State,* and in Haryana. Journalists in Delhi meeting at the Press Club yesterday unanimously passed a resolution calling for the end of censorship and the release of arrested pressmen, who include at least four editors.

Last night a mysterious fire

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Rights suspended

BY K. K. SHARMA IN LONDON

MRS GANDHI yesterday further tightened her grip over her opponents by suspending fundamental rights available to Indian citizens under the Constitution, which has now effectively been put into cold storage.

According to sources in New Delhi the right of seeking redress of any wrong from the courts has been withdrawn. No one can now appeal to the courts to free him if he is arrested, or have *any other wrong rectified, particularly if Government authorities* are responsible.

Mrs. Gandhi has jailed over 900 of her political opponents, but it was denied in New Delhi that any of them were from the armed forces, as reported by Opposition sources.

*The Prime Minister has with*drawn fundamental rights to forestall the possibility of her opponents petitioning the courts. Some months ago, the courts released smugglers when they were arrested under the Maintenance of Internal Security Act *(MISA), the same law under* which Mrs. Gandhi has arrested her opponents.

Her counsel, Mr. N. A. Palkhiwala, the eminent constitutional lawyer who recently appeared on her behalf before the Supreme Court vacation judge, has resigned. He is thought to have given up his brief in protest against the proclamation of the State of Emergency and the subsequent acts of Mrs. Gandhi.

The Premier's appeal to the Supreme Court against the Allahabad High Court's judgment unseating her from Parliament and barring her from holding elective office for six years comes up for hearing on July 14.

Mrs. Gandhi has replaced Mr. I. K. Gujral, her Information *and Broadcasting Minister, with* Mr. V. C. Shukla, Minister for Planning, and given him the latter's portfolio. This is thought to be due to the publicity Mr. Gujral had been getting for himself over the State-owned All-India Radio.

LOMBARD

The new style EEC question

BY C. GORDON TETHER

A QUICK run-down of the titles of the addresses to be delivered at next month's "After the Referendum" conference in Dublin will suffice to show that all the big questions about Britain's Europeanisation that were being debated in the run-up to the June 5 vote are destined to remain very much with us.

No less than three of the speakers are taking "Whither the Community?" as their theme and several of the others will be discussing what progress is likely to be seen—or not seen—under such important headings as economic and monetary unions. And as each member country can play a decisive part in determining the pace of the entire caravan, this means that the argument in this country can be expected to continue in a different form—the question now being how far we should participate in European integration rather than whether we should do so at all.

This being so, quite the most interesting thing that has happened in the EEC sense since our debate entered its new phase is the spectacular Communist successes in the Italian regional and municipal elections. For this radical change in the Italian political scene has a considerable relevance to the question of what attitude we should adopt to the plan to "democratise" the European Community by equipping it with a Parliament—a Parliament that, unlike the present Strasbourg version, will be much more than a mere talking shop.

Played down

Not surprisingly, seeing that it had been more or less totally identified with pro-Marketism in the referendum debate, the British Press has done its best to play down the implications of the onward march of left-wing militancy in Italy for the future of the EEC and our involvement in it. Italian Communists have been portrayed as being altogether more reasonable and malleable than those who are supposed to be forever striving to undermine the capitalist system in other parts of the world, including our own.

Much has also been made of the fact that they profess themselves to be just as enthusiastic about the European Vision and its unification "ideal" as those of other political persuasions in the Common Market.

As to the "they are different" theme, the Vatican was quick to point out that: "Modern history teaches us that, as far as Communists are concerned all roads have the same goal—a dictatorship which is said to be of the proletriat but is in fact over the proletariat and everybody else." And if that is a fair exposition of the realities, it is pertinent to ask whether anti-Communists in other parts of the EEC should regard the Italian Communist's belief in European unification as something to enthuse over or worry about.

The Communists have not, of course, yet come into a position to influence the course of EEC political life through participation in the governments of member countries. But it is not inconceivable that they will succeed in doing so before long if the economic climate in Western Europe continues to be as conducive as it evidently is at present to the advance of their ideology.

What is potentially of much greater importance is that they may become a very important element indeed in the European Assembly. And this would be a matter of deep significance for the other members if, in the meantime, Brussels had taken steps to give the Community a more democratic image by doing what it has been talking about for a long time past—handing over a sizeable part of its present powers to a popularly-elected European Parliament.

A warning

We are concerned here with a matter wherein mistakes, once made, cannot be corrected easily—if at all. A directly elected Community Parliament would obviously not be prepared to go on performing the futile functions of the present Assembly in Strasbourg. And once Britain had agreed to participate in the formation and operation of a more meaningful Parliament, it would be just as committed as all the other members to go along with its decision.

The Communist successes in Italy have, thus, provided us with a timely warning. It has been widely accepted in this country that the democratisation of the EEC through the introduction of direct elections is manifestly such an unequivocally good thing that no one could possibly object to it. Those, of course, who hold that the important thing is to see the Community fully integrated under whatever banner the majority favour may still logically take this view.

Others may feel that we ought to be in a far better position to determine the answer to that top-favourite conference question—"Whither Europe?"—before this country is committed to travel appreciably further towards political unification, by whatever route. And in this connection it should not be forgotten that the carefully nurtured belief that an anti-Market outcome to the referendum would precipitate a "left-wing take-over" in this country played a signal part in producing that substantial "yes" majority.

THE WEEK IN THE COURTS

Rape case underlines lack of Crown sentencing role

BY JUSTINIAN

THE PUBLIC furore over the inappropriateness (or excessive leniency, as some would have it) of the six-months' suspended sentence of imprisonment imposed on the self-confessed double rapist by Judge Christmas Humphreys QC, a judge at the Central Criminal Court, has let loose a spray of tangential issues.

Quite apart from heated discussion over the propriety of current sentences for rape, questions are raised about the independence of the judiciary, the propriety of parliamentary action to remove a judge thought not to be doing his job properly, the intervention of the Lord Chancellor asking for a report and consulting with the Lord Chief Justice about the Courts' policy towards sentencing rapists, and even the role of the prosecution in the sentencing process.

No part

All these issues deserve separate treatment. But it is worth trying to unravel some of the knotty issues that have become entangled in the web of emotional reaction to the gravest sexual offence in the criminal calendar.

If one takes the issues in strictly chronological order, the first problem about the sentencing process is that the prosecution takes no part once the jury's verdict is returned, save for calling as a witness the police officer in charge of the case simply to tell the Court in general terms about the offender's social background and criminal record, if any. Although, whenever a custodial sentence is a possibility, the Court will be provided with a social inquiry report compiled by a probation officer, the prosecutor cannot advocate, or even indicate what the Crown thinks would be the appropriate sentence.

And where the offender receives a light sentence, that is the end of the matter. The prosecution has no right of appeal against a light sentence, while inevitably a severe sentence will be reviewed by the Court of Appeal at the instance of the offender. Heavy sentences are thus correctable; lenient sentences stand uncorrected.

This is one of the main reasons why the Lord Chancellor has in this instance called for a report from Judge Humphreys. Had the judge been overly severe, the Lord Chancellor could conveniently have left it to the appeal judges to administer any corrective, and to pronounce upon sentencing policy.

The English legal system has always shown a distaste for any involvement of the prosecution in the administration of penal sanctions. But there is a growing feeling among the Bench and the Bar that, with the growing complexities of the art of sentencing, the time has come for some involvement of the Crown in deciding who should go to prison, and for how long.

Already some judges go some way to achieving this by asking for assistance from prosecutors in providing information about the degree of an offender's involvement in particular criminal activity. This is a subtle way of the court being willingly nudged in one direction rather than another. But the actual reform of allowing prosecutors to advocate a particular sentence is a long way off.

In the meantime our constitutional conventions are pressed into service to fill the gap of prosecution non-involvement. The intervention of the Lord Chancellor looks like an attempt to compromise the independence of the judiciary, particularly since he will not have to do so where sentences are reviewable by the Court of Appeal. And even if, as head of the judiciary, the Lord Chancellor can claim that all he is doing is advising himself how best to ensure the proper administration of criminal justice, the same cannot be said of the activities of individual members of Parliament.

MPs tend to rush in where those better informed (not necessarily angels by virtue of restraint in public denunciation of judicial conduct) hold back their criticisms, both because the Press rarely provides in its reports the whole of the relevant information and because judicial independence ought not lightly to appear to be trespassed upon. Some MPs, moreover, are crusaders for a cause; a judge's single decision may add grist to that member's mill, without necessarily being the proper or suitable subject of individual condemnation.

Public agitation about a judge's decision, whether it is an indiscretion or not, produces sometimes prompt and unwise reaction in other respects. The removal by the court administrator at the Old Bailey of another rape case from Judge Humphreys' list of cases to be tried by him is one such instance.

The transfer of a rape case to another judge, which incidentally resulted in the accused being acquitted (not, one hopes, because of the transfer), disclosed the power of administrators. Should the officials who administer court business have the power to determine which judge tries which case? The caseload of any court has to be parcelled out among the judiciary available, but should certain judges be selected to try certain classes of case?

Suffer

There is, of course, the well-known adage that there are horses for courses, but judges should be sufficiently in control of any of the prejudices that the rest of us suffer from to be able to try all types of cases without distinction. By singling out certain judges for certain cases the system is weighted either for or against an accused according to the basis for the selection. And that should not be left to faceless bureaucrats who are not openly answerable for their actions. And this is particularly so where attitudes to crimes may be reflected in the sentence passed by judges sitting alone and without any participation from the juries.

All this only goes to show how an isolated case has produced a hornets' nest in the administration of criminal justice. It may have the healthy effect of a review of the efficiency and fairness of that system.

'Beeching type' cuts will be opposed—Weighell

BY OUR LABOUR REPORTER

FIRM OPPOSITION to any "Beeching-style" cuts in the railway system was spelled out out at the week-end by Mr. Sidney Weighell, general secretary of the National Union of Railwaymen.

The NUR leader fired a clear warning shot across the bows of any British Rail attempt to reduce the impact on its hard-pressed finances of the recent £86.8m. pay settlement by axing jobs. It was "nonsense" to talk about reducing staff when overtime and rest-day working for railwaymen were at such a high level, he said.

Mr. Weighell told a meeting of the national committee of Transport 2000—which is campaigning for an integrated transport policy—that the NUR had asked British Rail to join in a meeting with the Government to hammer out a new approach to railway investment.

"The railways have been starved of new investment and have been forced to spend 70 to 80 per cent. of the money available to them on essential renewals rather than on modernisation of the system. There is a vital need for long-term investment plans to be fixed for the railway industry because it is impossible to plan on the present basis," said Mr. Weighell.

He argued that any new cuts in the present rail system would be playing into the hands of the road lobby, "who would be only too happy to build more and more roads to fill with their longer and heavier lorries."

CRICKET

BY TREVOR BAILEY

Looking to Essex for new name on the Honours board

WITH FOUR titles now available for sharing among the 17 first-class counties, where there only used to be the County championship, it is obviously far easier to carry off an honour.

At the moment, three clubs have never won any title and, as one of them is Essex, this should be reduced still further, because they are looking, and playing, like champions, top of the John Player league and a well-placed third in the championship itself.

Last week, they thrashed Gloucestershire, who without Procter are short of bite in attack and runs, and on Saturday shot out an anaemic Sussex for 84, then put together a breezy 327 for eight, picking up maximum bonus points in the process.

The odds are that Greig's side will also be beaten in under two days. On this showing, it was easy to understand why they are near the bottom of the table in both leagues and diving sharply to their sixth defeat of the season.

Why are my old county doing so well? Undoubtedly they were fortunate to encounter such insipid opposition on the green Westcliff wicket, but they made the most of their opportunity.

First, there is now some real substance and class in their early batting, where in the past they were over-dependent on Fletcher.

Hardie is proving a sound opener, and Edmeades, in his benefit year, seems to have cast aside his inhibitions and on Saturday batted with greater freedom and authority than I have ever seen from him.

KEITH FLETCHER: joined by other class batsmen

The South African McEwan has been having a lean spell, but is clearly destined to score heavily in first-class cricket, while the middle order and tail, which contains both Boyce and Turner, have always been formidable and lively.

Most important of all is Gooch, a powerfully-built young strokemaker who has established himself in the number four spot and has been chosen for the MCC against Australia. I shall be surprised if he is not picked for England well before the age of 25.

He has the ability to score runs off good length bowling with straight bat strokes and has plenty of time. Although his two movements before the ball is bowled are one too many, this is a minor technical fault he should have no difficulty in correcting. He represents the future.

Secondly, the Essex attack is not only sharp, but is unusually well-balanced. The ebullient Boyce, John Lever, back to his best and probably the most economical bowler in one-day cricket, and Turner provide the basis, with additional support available from Edmeades, Pont, or Gooch.

On pitches where the ball will turn, they can call on three good contrasting spinners, Hobbs, East and Acfield. This is rather an embarrassment of riches, as it means one of the trio, usually Acfield, seldom plays, so that inevitably his bowling suffers from lack of match practice.

Finally, the Essex fielding is well-above average. I fancy they are more likely to win the John Player League than the county championship and they also stand a reasonable chance in the Gillette Cup.

They have the ability. The one question mark is whether they have sufficient belief in themselves to make the breakthrough.

Essex forged further ahead by beating Sussex by one wicket yesterday, thanks very largely to another masterful innings from Edmeades before the largest Essex crowd for a one-day match.

YACHTING

BY ALEC BEILBY

Admiral's Cup selectors face difficult task

COWES, June 29

THE SIX RACES sailed as trials to select Britain's Admiral's Cup team are over. To-morrow the RORC selectors will announce their choice of the three yachts and the reserve that will endeavour to win back the Cup for Britain in the four-race series that starts off Cowes at the beginning of August.

At the start of this weekend Robin Aisher's Yeoman XX and Ron Amey's Noryema appeared certain to be selected from the 14 contestants for places. But the choice of the third yacht was far from lucid.

The weekend has provided splendid racing in moderate fresh winds and has certainly narrowed the field. But it cannot be said to have made the task of the selectors any easier.

Yeoman confirmed her form by taking a convincing handicap win on Saturday, when John Prentice's Battlecry led the way home after a long 36-mile double shuffle round the Solent. The performance of the low-rated Yeoman both inshore and offshore has been impressive, as was the performance of Aisher's Frigate two years ago, when he captained the British team.

To-day, sailing over a shorter course, the final reckoning produced some cut-and-thrust sailing more appropriate to dinghy racing. The scratch yacht, Bill McCowen's heavyweight Synergy, led home by 1½ minutes from Tony Morgan's More Opposition, while astern, as the wind fell light, Battlecry broke free of a struggle with Yeoman, whose crew already knew that they must have scored the week-end double, surely confirming their place in the team.

Tennis, Page 37

Noryema, the victor in last week-ends offshore race, finished a disappointing 11th after a collision with Synergy that resulted in protests by both crews, and a bad decision to stay out in the tide during the final run home. This was the second sign of a crack in Noryema's navigational armour—she ran aground during the second inshore trial race two weeks ago. Synergy was disqualified as a result of the collision incident. This latest incident was just the sort of thing that did little to help the selectors, but was without doubt entirely due to the intensity of the struggle.

On the strength of the performances of the week-end, added to those already seen, the choice of the British team must lie between Yeoman, Noryema, Battlecry and More Opposition, with Ernest Juer's Brother Cup, former Prospect of Whitby, possible reserve. Edward Heath's Morning Cloud, after a poor showing yesterday when she finished 11th, did little better with eighth place to-day.

Whatever the choice there will be those who disagree with it, but it has been said that the trials are harder-fought than the series itself, and this must mean that the British team will be as strong as it has ever been. A record entry of teams from 20 nations will compete for the Cup, and the British selectors have had the advantage of choosing their team once the size and ratings of the opposition have been evaluated, a point that may be reflected in their final decision.

RACING

BY DOMINIC WIGAN

Treble hope for Eddery

PAT EDDERY, who a year ago missed the winning Irish Derby ride on English Prince through a suspension incurred at Royal Ascot, made no mistake at the Curragh on Saturday, winning the Sweeps Derby at his first attempt on Grundy.

Dr. Carlo Vittadini's Great Nephew colt, who by following up Irish 2,000 Guineas and English Derby successes with a victory in this event was emulating Santa Claus's fine hat-trick of 1964, was in my opinion far more impressive than in any of his previous races.

Always travelling well within himself, and one of the back-markers until half a mile from home, Grundy forged into the lead inside the two furlong marker. From that point he never appeared likely to be troubled. At the line, Dr. Vittadini's colt, whose sale to the National Stud for £1m. Keith Freeman recently negotiated, had two lengths to spare over the fast-finishing King Pellinore, who was flattered by his proximity.

The remainder of the 13-runner field, headed by Anne's Pretender, were well beaten off, with the heavily backed and previously unbeaten French challenger Maitland a poor sixth. The winning time of 2 minutes 31.1 seconds was nearly 2½ seconds faster than that achieved by Grundy's former stable companion, English Prince, a year ago, and 2.3 seconds faster than the average for this race.

Grundy, whose final race will probably be the Champion Stakes rather than the Prix de l'Arc de Triomphe, will almost certainly go next for the King George VI and Queen Elizabeth Stakes on July 26, for which he is quoted at 6—4 on with Ladbrokes—a price which hardly seems realistic since both Dahlia (the winner of the last two runnings of the King George) and that other great French filly, Allez France, are likely Ascot rivals.

NOTTINGHAM
2.00—Acquire
2.30—Sky High
3.00—Super Splash
3.30—Anemos***
4.00—Conning Tower
4.30—Mayumbe*

WINDSOR
6.45—Mums the Word**
7.15—Singing Saint
8.15—Marjana
8.45—Hard Day
9.15—True Word

Eddery, who with 60 winners still holds a decisive lead over Piggott (52) and Carson (46) in the jockeys' championship, can consolidate his position at Nottingham and Windsor to-day. I expect the 23-year-old Irishman, who is rated a 5-2-on chance with most firms for the championship, to land a double at the Midlands meeting through *Acquire* and *Anemos*, before going on to complete a treble on *Hard Day* at Windsor.

Anemos, an easy winner over five furlongs at Nottingham a fortnight ago, is a confident choice to make it a double there, in the furlong-longer Nottingham Stewards Stakes (3.30), in which another recent course winner, *The Palliard*, to whom he is giving 3 lb, appears to be the one for the forecast.

Half an hour earlier, I anticipate a win for the smart American-bred four-year-old *Super Splash*, in the day's most valuable race, the Home Ales Gold Tankard (3.00). The Arundel horse will probably find that game mare, *Mayday Melody*, the top weight and mount of Lester Piggott, her principal rival.

Guernsey planners probe lack of new hotels

GUERNSEY'S Advisory and Finance Committee is looking into the reasons why no new hotels are being built in the island while the number of tourist beds is shrinking.

The investigation follows discussions with the Tourist Committee, which expressed anxiety about the failure of recent hotel projects to get off the ground.

Tourism representatives claimed that planning obstacles appeared to be "an inhibiting factor."

Mr. Edward Collas, president of the Finance Committee, told local MPs last week that it was intended to have "earnest discussion" on the whole question with the Island Development Committee, Guernsey's planning body.

In the past, the IDC has argued that the financial climate, not planning difficulties, was chiefly responsible for the lack of new hotels.

Asked if he was aware that Guernsey's banking community had "considerable doubts" about the IDCs attitude to new hotel projects and that this was adding to developers' problems in getting financial backing, Mr. Collas said:

"I wish the House to know that the Advisory and Finance Committee is very concerned about the consequences of any such damage to the confidence of the banking community at a time when the Tourist Committee's policy is so vital to the island's economy."

In a report published in 1972, the Tourist Committee called for the building of "two first-class hotels in St. Peter Port and up to three on the coast." This policy was endorsed last year by the island parliament as part of an economic development plan.

Currently only one major hotel scheme — a 125-bedroom development on the island's West coast—looks likely to materialise.

Meanwhile, Guernsey has lost more than 1,000 tourist beds since 1972, partly through the sale of guest houses as private homes or to accommodate imported banking and other staff.

TV/Radio

BBC 1

† Indicates programme in black and white

12.55 p.m. The Sunday Debate. 1.30 Andy Pandy. 1.45 News. 1.55 Wimbledon Lawn Tennis Championships. †4.23 Regional News (except London). 4.25 Play School. 4.50 Blue Peter Flies The World. 5.15 Hong Kong Phooey. 5.40 Captain Pugwash.
5.45 News.
†6.00 Nationwide.
6.15 Wimbledon Lawn Tennis
7.20 Star Trek.
8.10 Panorama.
9.00 News.
9.25 The Monday Film: "Tell Them Willie Boy Is Here," starring Robert Redford.
†11.00 Read All About It.
†11.30 Regional News.

All Regions as BBC-1 except at the following times:—

Wales—1.30-1.45 p.m. Pila Pala. 6.00-6.15 Wales To-day. 7.20-7.40 Heddiw. 7.40-8.10 Sykes. 11.00-11.30 Cwestiwn Arall. †11.30 News of Wales.

Scotland — 10.00-10.10 a.m. Wacky Races. 10.10-10.35 Robinson Crusoe. 10.35-11.00 The Record Breakers. 6.00-6.15 p.m. Reporting Scotland. †11.30 Scottish News Summary.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.15 Scene Around Six. †11.30 Northern Ireland News Headlines.

England—6.00-6.15 p.m. †Look North (from Leeds, Manchester, Newcastle); †Midlands To-day (from Birmingham); †Look East (from Norwich); Points West (from Bristol); †South To-day (from Southampton); †Spotlight South-West (from Plymouth).

BBC 2

11.00 a.m. Play School.
2.00 p.m. Wimbledon Tennis.
7.30 Newsday.
7.45 Look, Stranger.
8.10 The Waltons.
9.00 Horizon.
9.50 Match of the Day from Wimbledon.
10.40 The Pointer Sisters: in Concert.
11.15 News Extra.
11.34 Closedown: Gwen Watford reads "Floods at Bewdley" by Molly Holden.

LONDON

10.35 a.m. A Big Country. †11.05 "The Rivals." 12.05 p.m. Yoga For Health. 12.30 Yak. 12.40 Rainbow. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 The Great Western Musical Thunderbox. 2.00 Good Afternoon. 2.30 The Royal Show. 4.20 Clapperboard. 4.50 The To-morrow People. 5.20 The Ghost and Mrs. Muir.
5.50 News From ITN.
6.00 To-day.
6.45 The David Nixon Show.
7.30 Coronation Street.
8.00 Man About The House.
8.30 World In Action.
9.00 Sam.
10.00 News.
10.30 Prison Portraits.
11.30 World Snooker.
11.55 Bone Of Contention.

All ITV Regions as London except at the following times:—

ANGLIA

11.45 a.m. The Royal Show. 1.25 p.m. Anglia News. 2.00 Houseparty. 5.20 University Challenge. 6.00 About Anglia. 10.30 The Brian Connell Interviews—the 17th Duke of Norfolk. 11.00 Police Surgeon. 11.25 Anthology.

ATV MIDLANDS

11.45 a.m. The Royal Show from Stoneleigh Abbey, Kenilworth. 1.20 p.m. Lunchtime Newsdesk. 5.20 University Challenge. 6.00 ATV Today. 10.30 Platform for Today. 11.15 A Place In Europe.

BORDER

11.45 a.m. The Royal Show from Stoneleigh, Warwickshire. †1.25 p.m. Border News. 2.00 Houseparty. 5.20 University Challenge. 6.00 Border News and Lookaround. 6.15 Out of Town. 10.30 Who Cares? 11.00 A House In Regent Place. †11.30 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 2.00 Play With A Purpose. 5.20 University Challenge. 6.00 Channel News. 6.10 After Six. 10.30 A Place In Europe. 11.00 News and Weather in French followed by Channel Gazette.

GRAMPIAN

11.45 a.m. Showjumping from the Royal Show. 12.35 p.m. Grampian News Headlines. 1.20 Lunchtime Call. 2.30 Flair. 3.00 Showjumping from the Royal Show. 5.20 University Challenge. 6.00 Grampian News. 6.10 Cartoon Time. 6.15 New Who Do You Do? 10.30 A Place In Europe. 11.00 Police Surgeon. 11.30 Evening Prayers.

GRANADA

10.30 a.m. Sesame Street. †11.25 Three Stooges. 11.45 The Royal Show. 1.20 p.m. This Is Your Right. 5.20 Shang A Lang. 6.00 Granada Reports. 10.30 A Place In Europe. †11.00 Appointment With Fear: "Night of the Demon," starring Dana Andrews and Peggy Cummings.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Housecall. 5.20 p.m. Rock On With 45. 6.01 Report West. 6.22 Report Wales. 10.30 A Place In Europe. †11.00 The Korda Classics: "The Spy In Black," starring Conrad Veidt, Sebastian Shaw and Valerie Hobson.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 2.00 Hamdden. 6.01-6.22 Y Dydd. 8.30 Yr Wythnos.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.22-6.45 This Is The West This Week.

SCOTTISH

11.45 a.m. The Royal Show from Stoneleigh Abbey, Kenilworth. 1.25 p.m. Road and Weather Report. 2.00 Out of Town. 5.20 University Challenge. 6.00 Scottish News. 6.05 Isabel On Monday. 10.30 Late Call. 10.35 More Animate Objects. 11.05 Wish You Were Here.

SOUTHERN

11.00 a.m. Yoga for Health. 11.20 Daffy Duck. 11.30 Hammy Hamster's Adventures on the Riverbank. 11.45 The Royal Show from Stoneleigh, Warwickshire. 1.20 p.m. Southern News. 2.00 Houseparty. 5.20 Shang a Lang. 6.00 Day by Day. 10.30 A Place in Europe. 11.00 Southern News Extra. 11.10 The Odd Couple. 11.40 Guideline. 11.45 Farm Progress.

TYNE TEES

12.35 p.m. Starting Point. 2.00 Housecall. 4.30 Zigzag. 6.00 To-day at Six. 6.40 Police Call. 10.30 Barnaby Jones. 11.25 What The MPs Say. 11.40 Late News Extra. 11.50 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines. 4.18 Ulster News Headlines. 5.20 University Challenge. 6.00 Summer Reports. 10.30 Monday Night with the Rev. David Burke, Hamilton Road Presbyterian Church, Bangor, Co. Down. †10.40 Monday Movie: "Inside Detroit," starring Dennis O'Keefe.

WESTWARD

11.25 a.m. Yoga for Health. 11.50 Survival. 12.15 p.m. Around the World in 80 Days. 12.38 Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.00 Play with a Purpose. 5.20 University Challenge. 6.00 Westward Diary. 6.20 Sports Desk. 10.30 A Place in Europe. 11.00 Westward Late News. 11.05 The Summer of 75. 11.25 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 5.20 University Challenge. 6.00 Calendar. 10.30 Emmerdale Farm. 11.25 Checkmate.

RADIO 1 247m

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) also on VHF. 5.00 Newsbeat. 5.15 John Peel with Top Gear. 7.00-12.33 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 Wimbledon 75: 1,500m only (also 202m Scotland) VHF joins Radio 1, including 2.45, 3.45 and 4.45 Sports Desk. 5.02 Waggoners' Walk. 5.17-7.00 VHF only Sam Costa (S). 5.17-7.00 1,500m only (also 202m Scotland) Wimbledon 75 Tennis including 5.45 Sports Desk. 7.02 Free Spin. 7.30 Sports Desk. 7.32 Alan Dell: 7.32 The Dance Band Days. 8.02 The Big Band Sound (S). 9.02 Humphrey Lyttelton with The Best of Jazz on records (S). 10.02 Sports Desk. 10.05 John Dunn with Music Through Midnight (S) and 12.00 News. 12.31 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

7.00 a.m. News. 7.05 Overture: Vivaldi, Mozart, Beethoven (S). 8.00 News. 8.05 Morning Concert: Gounod, Saint-Saens (S). 9.00 News. 9.05 This Week's Composer: Mendelssohn (S). 10.05 Talking About Music (S). 10.35 French Harpsichord Music (S). 11.30 Tchaikovsky Violin Competition (S). 12.05 p.m. Alexander Zemlinsky (S). 1.00 News. 1.05 BBC Lunchtime Concert: Liszt, Chopin (S). 2.00 Youth Orchestras of the World (S). 2.55 Pfitzner: Songs and piano pieces (S). 3.42 Talk. 3.54 Sonata for cello and piano, Op. 1. 4.25 Music for Organ (S). 5.15 Bandstand (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Study On 3. 7.30 Beethoven at Bayreuth (S). 8.50 Renaissance—North and South (talk). 9.15 American Musicians (S). 10.15 Love In A Cold Climate. 10.50 Words . . . (John Vaizey reflects on some of the things we say). 10.55 Jazz In Britain (S). 11.25 News.

RADIO 4

434m, 330m, 285m and VHF

‡ Medium Wave only

6.20 a.m. News. 6.22 Farming Week. 6.40 Prayer for the Day. 6.45 Today, including 6.50 and 7.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45-7.50 Thought for the Day. 7.55 Weather, programme news. 8.00 News and more of Today. 8.45 James Cameron with Sound Archive recordings. 9.00 News. 9.05 Start The Week With Richard Baker. 10.00 News. 10.05 Wildlife. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Any Questions? 11.05 Announcements. 12.00 News. 12.02 p.m. You and Yours. 12.27 Desert Island Discs. ‡12.55 Weather, programme news VHF (except London and S.E.) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report, VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 The Men from the Ministry. 6.45 The Archers. 7.00 News Desk. 7.30 Lord Peter Wimsey. 8.00 The Monday Play (S). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight: Radio 4's International Business Report; Market Trends. 11.15 Today in Parliament. 11.45 News.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.03 Downtown. 11.03 In Town. 12.03 p.m. Call In—1. 12.45 London News Desk. 1.03 Call In—2. 2.03 206 Showcase. 4.03 Sound Out. 4.32 Home Run, including London News Desk at 5.00, 6.00. 7.00 In Town. 8.00 Rail. 8.30 In Concert. 10.03 Robbie Vincent's Late Night London. 12.00 As Radio 2 until closedown.

London Broadcasting

261m and 97.3 VHF

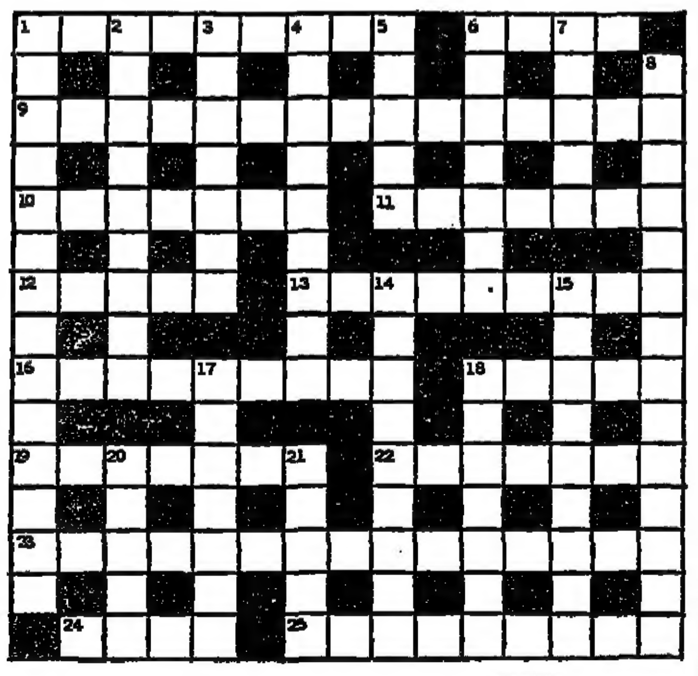
6.00 a.m. "AM": London's breakfast-time news show, with interviews, traffic and travel service, plus sport. 10.00 Open Line—London talks to George Gale. 12.00 Newswatch, plus live reports from the House of Commons. 6.00 p.m. Newsbreak. 7.30 Music in Stereo. 9.00 Love in London. 1.30-6.00 a.m. Nightwatch—News every half-hour.

Capital Radio

194m and 95.8 VHF

6.30 a.m. Kenny Everett with 2½ hours of music and madness. 9.00 Michael Aspel with music, features, advice and Swop-shop. 12.00 Cash On Delivery with Dave Cash. 3.00 p.m. Roger Scott with music. 7.00 London Today. 7.30 Open Line. 9.00 Nicky Horne's rock show. 11.00 Tony Myatt's late night on Capital. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,816



ACROSS

1 Military station's implement to sit upon (4-5)
6 Wise men introduce mother to soldier (4)
9 One who listens to moon or a dire star? (5,10)
10 Look at south-western city—it's good for the sight (3-4)
11 I'd return to symbolic diagram for its last two letters (7)
12 Examine a soft garment (5)
13 The condition of being game controllers on the field (9)
16 Born and eats a bit of straw, being in want (9)
18 God it's a planet! (5)
19 Revealed it is wind-swept (7)
22 Outing with closed circle left one in North Africa (7)
23 Established mode of speech in nunnery with main soil turned over (15)
24 Plot to surround a gun-sight (4)
25 Frenchman is of French average to behave badly (9)

DOWN

1 Similarity in letter writing (14)
2 Common coral made to appear round broken right rope (9)
3 Charge for keeping gold in a tiered structure (7)
4 The place for hops round a street building (4-5)
5 Enticed and left half of us blushing (5)
6 Bossy type—one in a trough (7)
7 Note to a doctor with one instrument (5)
8 Coin trim phrase to describe an ancestor (11,3)
14 Puts sulphur and iodine in medicines (9)
15 Endlessly glum company team needs a source of dextrose (9)
17 At home on different dates as an alternative (7)
18 One who is first putting head round the edge (7)
20 Write to Council of Europe for money (5)
21 Mother embraces you in France—that's a fact (5)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

Festival Hall

Martinon and Francescatti

by RONALD CRICHTON

Two illustrious, senior French musicians appeared on Thursday with the *Royal Philharmonic Orchestra*. Both of them are too infrequent visitors to London, but out of sight is not always out of mind: between them, with the aid of Beethoven and Ravel, conductor Jean Martinon and *violinist Zino Francescatti* filled the hall. It was one of those enjoyable, near-pop programmes brimming with hot but happy summer visitors.

Martinon and the RPO gave the *Prometheus* Overture, Beethoven at his whippiest, the kind of lithe performance that makes one want immediately to hear the rest of that neglected music. What came, of course, was *the Violin Concerto, whose* opening tutti had the good qualities of the playing of the overture, suitably expanded. Francescatti's reading had a serene, regal grandeur, an unhurried poise not remarkable *for depth of poetry in those* passages where inwardness and mystery are traditionally forthcoming, but with ample compensation in the splendour of tone—it isn't often that we hear a violin in this hall sailing so effortlessly above the orchestra and sustaining such noble cantabile. The finale, in addition, had a vitality which made most other players of this concerto seem mouse-sized.

In the Ravel half Martinon gave the early *Shéhérazade* Overture (no musical connection with *the song-cycle of the same name)* a second London performance—the first was at the English Bach Festival earlier this year. This was livelier and made the score (especially the unmistakable final cadence) sound more like *genuine Ravel, less like pastiche* Russian. It is an endearing piece, though not all the sharp things said about it at its unsuccessful Paris première were wrong. The overdose of whole tone scale hardly matters any more, but by *Ravel's mature standards the* score is neither very clear nor coherent.

The *Pavane* which Ravel came to dislike, as composers often dislike and want to disavow minor but obstinate successes, was *played* with an almost Beechamesque care for detail and sense of proportion. As his Debussy records show, Martinon has the gift for giving small pieces that risk cursory treatment their full value. There followed *Bolero*, which was given the full works and as usual won an ovation. Ravel employed so much ingenious finesse in explaining this score away that one can forgive him everything except the occasional necessity of listening to it in the concert hall. There remains the faint hope that it might, one day, work as a ballet. The RPO generously held nothing back: the horn even contrived to sound saxophonically French.

The Entertainment Guide is on Page 9

St. Alban's Cathedral

Organ Festival

by GILLIAN WIDDICOMBE

As canonisations go, or came, *Alban's was an easy one* (beheaded in the second century for priest-harbouring); and the festival that spreads Alban's fame has a saint of its own in Peter Hurford, after whom it would be more aptly named. The *eighth St. Alban's organ festival* ended on Saturday, and though the closing concert was a peculiar mixture of excellence and boredom, it gives an ideal moment to register thanks for what Dr. Hurford has done.

When he founded the festival, 12 years ago, it was no more than a competition for young *organists, with a few concerts thrown* in. That basic framework remains the same, and this year first prize in the main competition (for interpretation), was won by Lynne Davis, second prize by Desmond Hunter. The *subsidiary* Tournemire Competition (not solely a pseudonym for something nasty like improvisation, but also *for the performance* of works by the composer of that name) was won by Nathan Ensign. This year's gesture towards the stimulating of new works for organ was not in the form of a competition, but *during several of the evening* concerts works by Daniel Pinkham (using electronic tape with organ), Calvin Hampton and Charles Chaynes were included, as well as generous amounts of Langlais and Alain, which the majority of organists still probably consider dreadfully modern.

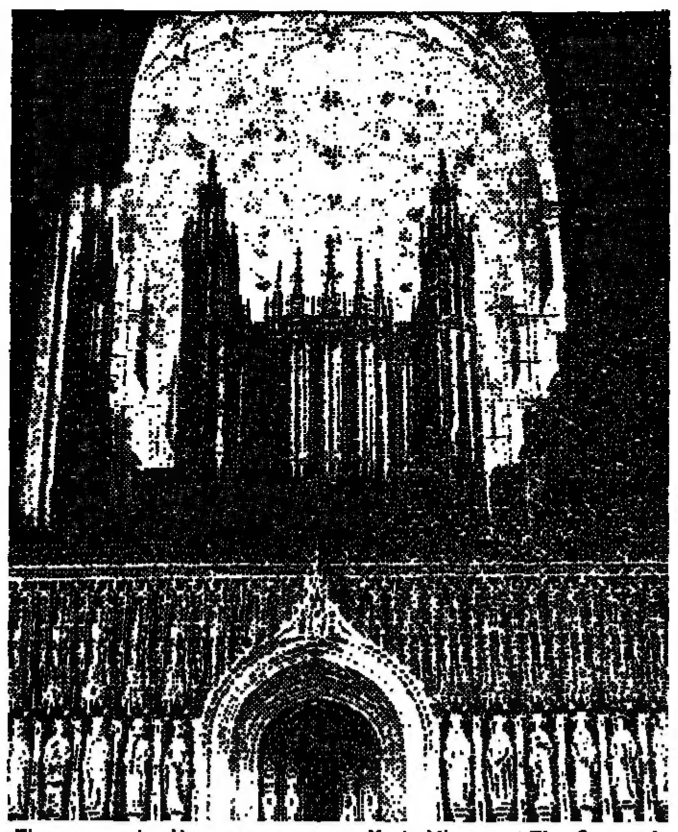
St. Alban's has definitely raised the standard of British organ playing, but through means additional to these competitions and those lectures by Hurford on the organist's usual sin — no sense of rhythm. For the crucial thing that Hurford has done is to advocate the re-development of the chamber organ. At one end, he has en*couraged young players to cope* with the delicacies of mechanical action, and cast aside fancy, discursive registration, by having them play part of the competition on a small chamber organ —this year on a neat little two-manual instrument (four stops on each, plus three on detachable pedal) by Kenneth Jones. *And at the other end—the commercial end* — organ builders were again invited to display *small organs, provoking much* discussion: and ten instruments were shown this year.

The Jones was the largest. In general the actual size of instruments has been pared down noticeably since the first of these exhibitions, ten years ago. In 1965 Rushworth and Dreaper were making their first *venture in this field*, and the harp-shaped object they produced then came in for some scorn. This year Rushworth *produced a single manual* with four ranks, encased in an inlaid antique bureau and "designed specifically for use in a private residence" — which shows how much things have changed. (In the sixties, Peter Hurford was *thought at least unique because* he had a practice organ distributed between the armchairs in his own sitting room.) Most of the 1975 organs would do very well as private instruments, though the only one that could *probably be afforded by robbing* the Mattins collection rather than mortgaging the soul would be the oak table organ of one stop by John Nicholson. One soft Gedackt eight-foot may not seem a lot, but would make a change to the one-stop piano.

Several of our best-known builders were noticeable by their absence—nothing from Hill, Norman and Beard, no from Mander. But the firm that ten years ago was the daring outsider, Grant, Degens and Bradbeer, again showed what may now be regarded as their classic *utility instrument, a plain rectangular* case housing a Gedackt 8', Röhrflote 4', and Principal 2' on a single manual. Flentrop's version of the same thing, was also *interesting having meantemperament* tuning and a *delightful red-painted case* with gilt carving, all suggesting not modern antique-faking but a whole-hearted return to 18th century styling. Just the thing to play afternoon toccatas on . . .

Saturday evening's concert by the English Chamber Orchestra included three organ items, ranging from Hurford stepping *into Franck's E major Choral* (because the ECO could not rehearse Berkeley's Serenade after all) to a fine performance of the Poulenc Concerto with Nicolas Kynaston using the cathedral's main organ. The colour and *range of the St. Alban's Harrison* suit this concerto specially well; and the usual difficulties of balance were wholly absent, with Kynaston and Meredith Davies (the ECO's conductor) matching vivid tempos, and catching both the impressions of brilliant jesting and sweet lyricising that meet in Poulenc's writing.

Ferdinand Klinda, a member of the jury, brought with him the first British performance of *Chaynes' concerto for similar* forces—adding only a few rattle-shakefuls of percussion. Duration 27 minutes; and a "tonal, non-serial" idiom, this three-movement struggle to combine two different sonorities, using post-Alain thematic material, seemed to me a dismal failure. Only the passages in which Chaynes used *the organ alone*, or revived the ghost of Karg-Elert with a violin solo, were successful.



The son et lumière programme at York Minster, "The Story of York Minster," will be presented from Tuesday to Saturday during August, September and October. The performance, which includes the voices of John Gielgud, Eric Porter and Judi Dench, lasts about an hour and 10 minutes.

Battersea Park

Ballet and School

by CLEMENT CRISP

The season in the Battersea Big Top ended at the week-end, having proved itself an enormously worth-while undertaking. Of course it was a stop-gap, but one which brought a new audience to ballet, and opportunities for dancers in new roles. Blessed with unprecedented fine weather —*for once June was glorious*—the Royal Ballet under canvas was also a bargain, with a top price of £3 for performances in which all the company stars could be seen.

Friday night gave us something of a "Pop" programme, with the company principals in relaxed mood as befits end-of-season fun. The company's biggest star—the corps de ballet—was impeccable in the opening *Bayadère*, and I enjoyed my first view of Laura Connor as Nikiya, with her ardent, well-phrased dancing. Thereafter three pas de deux: Lesley Collier and Wayne Sleep darting and flashing over the surface of *Flower Festival*, as carefree as one could wish, and Merle Park and David Wall all elegiac passion in *The Walk to the Paradise Garden*.

And in between, Natalia Makarova and Anthony Dowell making gold out of dross in the *Don Quixote* duet. Makarova is a heaven-sent Kitri—she treats the whole thing as a glorious *joke—and Dowell*, new to this sort of caper, plainly enjoys the opportunity to show off. Purists may object to what Makarova did with her solo, where she made huge fun of the steps, the style and her own characterisation, but I found it irresistible. It amounted to inspired mockery of the whole idiot paraphernalia *of the ballerina as temperamental* Spanish beauty: the choreography was magically performed, but in the middle of a pose Makarova turned an aghast gaze on the audience as if to say "What the hell happens *next?" and then decided to tap* her foot with that obligatory fan. This Beatrice Lillie mayhem might be dangerous for a lesser artist, but Makarova knows exactly how far is too far, her timing is impeccable, and there are no cheap jokes in that unflawed dancing.

In the closing *Elite Syncopations* Makarova also appeared, for the first time, in the role created for Merle Park. Beautifully cool dancing to control her physical allure, and Donald MacLeary (happily recovered from his recent injury) as her partner, were the ingredients of a more than interesting début. *The rest of the cast were in their* original roles, and splendid, with two of the men outstanding even on their own grand terms. Michael Coleman's solo now has the glittering virtuosity of Horowitz ripping through a Mozkowski *étude*: Wayne Eagling's speed and electric brio are among the delights of dancing to-day.

*

On Saturday afternoon the Royal Ballet School's annual *matinée was also seen in the* tent. The almost uncanny assurance of these young dancers in *Danses Concertantes* and *The Two Pigeons* are witness that this is a fine year for the school. The soloists in *Danses* were deft, sharp in rhythm, and the three young principals in *Pigeons* and the entire gypsy tribe could have gone into a professional production with ease. Nicola Katrak as the Young Girl is adorably tender, pretty, fluent in dancing; Jacqueline Williams can spin and glitter as the best Gypsy girls should; and there is Stephen Beagley as the Young Man.

Looking at young dancers one seeks for hints rather than positive statements, for sometimes very slight physical signs that tell of promise and individuality. *Quite early in Act 1, Mr. Beagley* performed a simple extension of a leg that was better phrased than one might expect. Was it a fluke? The rest of the act showed a young man called upon to act, which he did quite neatly, rather than to dance. But with the second act, and its two solos, there was no question of fluke. *Mr. Beagley's dancing is clean*, strong, and unexpectedly personal. He seems to have a lyric quality that is neither soft nor affected; here is a true gift. To all these young ratists hopes for happy, fruitful careers; to their teachers admiring thanks for their care in shaping the next generation.

South Bank

London Choral Society

by RONALD CRICHTON

In the doldrums between the main winter-spring seasons and the official summer music, programme planners relax, allowing more shorter and lighter works than usual to cheer up South Bank programmes. When two such concerts happen on the same evening it is tempting to sample both, thus evading the main drawbacks of these miscellanies, that they are usually too long. On Friday, combing the *pleasures of double treat and* double truancy, it was possible to combine Rossini at the London Mozart Players' concert in the Elizabeth Hall with Brahms and Poulenc at the London Choral Society's programme in the Festival Hall.

Coupling Brahms and Poulenc seems odd, yet in his *Gloria* (a late work but not, with respect to the programme note, his last) the latter so effortlessly absorbed *the big choral style into his own* unchanging personal idiom that the contrast after the *Song of Destiny of Brahms* was not worrying. The LCS is a well disciplined body, responsive to its musical director Leon Lovett, not quite achieving the mysterious corporate individuality of the best choirs, but with good blend. The fast section, where Holderlin's poem contrasts the wretched lot of humanity with *the blessed spirits above*, wanted more weight, but the singing was alive. Both in sober Brahms (where the epilogue was most sensitively played) and in uproarious Poulenc, Mr. Lovett's care for the orchestral part was well rewarded by the New Philharmonia. This was not the old *kind of choral concert* where the orchestra have obviously gone in at a late stage as uninterested partners.

When Poulenc described his *Gloria* as "une grande symphonie chorale" he was no doubt thinking less of Beethoven than of the old meaning of the work symphony. With its short sections and bursts of riotous jollity the *Gloria* relates to sacred music of the 17th- and 18th-centuries, up to the time of Mozart and Haydn. The choir was not wholly at ease with the unconventional stressing of the Latin text. In fact, this makes the words carry with unusual *force—Poulenc may have learnt* a thing or two about word setting from his English colleague. Britten. *The LCS tenors, so* dependable in Brahms, were stretched in music presumably counting on higher French voices. But the performance was a lively one, graced with resplendent singing of the soprano solos by Heather Harper.

In the smaller hall, the London Mozart Players, conducted by Gervase de Peyer, opened with Rossini's *Signor Bruschino* Overture—the one where the second *violins tap their desks* with the back of the bow—an effect which deserves to be done in time, not *raggedly. The same composer's La regata veneziana* was sung by Susan Daniel in an orchestral arrangement by Joseph Horovitz. Miss Daniel has a voice and enough reversity for about four ordinary mezzos, but on this occasion her priorities were mixed up. In Rossini even, perhaps especially, in late trifles *like these delightful songs, line* must come first, before the arts of expression and the artifice of *platform manner*, however charmingly and authentically Venetian. Perhaps it was because the singer sacrificed too much to manner that the ingenious orchestrations felt so busy. Rossini's piano parts, in the right hands, are so good that there is not much advantage in inflating them.

Covent Garden

Death in Venice

by MAX LOPPERT

After the Aldeburgh Festival, the *English Opera Group production* of *Death in Venice* has again come to town, this time for six performances. On Friday, the cast differed from that of the Maltings performance reviewed here last month, in two respects: the Voice of Apollo, rather uncomfortably amplified from off-stage, now belonged to John York Skinner, and was a much sweeter, softer-textured countertenor than *his predecessor James Bowman's*, which contrived to make the announcements less of a shrill *embarrassment; and* Thomas Hemsley returned to the six-personed embodiment of death, *with a more suggestive and forceful* projection of all the leering overtones and malign insinuations. In the proud address of the Hotel Manager's phrases, his high baritone rang out pleasingly.

Generally, the dramatic and musical presentation is now more adroit than in 1973. What cannot be remedied—indeed seems more nakedly apparent on the return of Britten's opera to London—is the way the larger house *exposes the relentless* thinness of much of the first-act music, its substance and surface alike. The theatre also places a heavier burden on Peter Pears, whose reserves of tone had on Friday to be husbanded, in the early stages, to the point where consonants were dissolved, and the smoother declamation was often *incomprehensible*.

This is the price—not small, but worth the paying—of his identification, full-hearted and all-ambracing, with the part of Aschenbach. And not everything about the Royal Opera House is, in this work, loss. The final pictures of un-caring, pre-moral beauty made by Robert Huguenin's Tadzio against the golden backdrop and alongside the writer's body, reverberate even more poignantly in the wider space. Has the Mahlerian tone and flavour of the ending been commented upon before, notably the last whistling, whispered chord, its high *harmonics kin to those at the* close of the Ninth Symphony's first movement?

Fairfield Hall, Croydon

Pasadena Roof Orchestra

by ANTONY THORNCROFT

The ghosts of the past danced through the Fairfield Hall on *Friday night, tapped* along by the walking sticks of the grey-haired and the more adventurous *hand-clapping of the long haired*. The Pasadena Roof Orchestra was re-creating the hot music of *the 1920's and early '30's* to the most varied and appreciative audience I have come across in *years*.

The Orchestra sit, a round dozen, beautifully tuxedoed behind their band-stands, with potted plants in the background, and a white suited singer, one John "Pazz" Parry, up front, who only stirs from his chair when he is needed at the microphone. The leader, Johnny Arthy, announces each song with just the exact touch of restrained deference which characterised the Henry Halls and Jack Paynes of decades ago. But if the mood is sedate the music is not.

We roar through the "Varsity Drag", have fun with "Me and *Jane in a Plane*"; go *all soulful* over "Georgia on My Mind"; and sign off with a jolly "Here's to the Next Time," *before the* inevitable encore, a spirited "Nagasaki." There are the few aberrations — the occasional doubtful note, the modern detachable mike and over-casual voice of "Pazz" Parry; a roundness in the sound which is absent from the original recordings; but all in all it was a wonderful evening of nostalgia.

The tunes are reverently placed in their historical setting. "Pasadena" is played in the 1924 version, first recorded in London by the Savoy Orpheans, and is *followed by* "Sahara" as performed by another Savoy *band the Havana. The closest* we get to reality is a Duke Ellington medley, but the *Pasadena Roof Orchestra is wise* in confining its affectionately modest talents to the music popularised before the advent of the big American bands of the later '30s.

So it is Jack Hylton and Sid Phillips and Nat Gonella who flourish here. The two girl dancers, who Charleston and per*form a novelty foxtrot*, are not perhaps essential and the concert could be cut by ten minutes, but the well-chosen *repertoire* — among the other treats were "Blue Skies," "Everythong Stops for Tea" and "It don't mean a thing if it aint go that Swing" —and the style of it all, make the Pasadena Roof Orchestra the *most enjoyable hosts imaginable* for an evening of melodic syncopation.

Elizabeth Hall

Patterson's Requiem

by DOMINIC GILL

The London Chorale, with the University of Warwick Chamber Choir, the Coventry Cathedral Boys' Choir and the London Mozart Players, together gave the first London performance on Saturday of a new Requiem by Paul Patterson (b.1948).

It was the second Requiem of the *evening, following close on* Fauré's gentle, romantic masterpiece of 1887. Persistent echoes *(and soft shadows) of the Fauré* were still ringing in the ears at the start of the second half: but setting aside all other comparisons, favourable or no, forced by such close proximity, it was true to say that any music after the Fauré must at least have sounded vivacious — and vivaciousness, together with a lively command of simple instrumental and vocal combination, was one of the chief quali*ties of Patterson's new work*.

Lively, if not notably adventurous: the ingredients of *the music are essentially* a slow-moving four-part chromatic harmony, seasoned with plenty of clashes and suspensions over seconds, sevenths and ninths; short repeated rhythmic and melodic figures; and one or two more "advanced" Ligeti-like techniques such as multiple glissandi and sections of limited improvisation. Semi-improvised tone-clouds and glissandi, indeed, dominate the texture: and by the *final pages*, many of these effects —the multiple glissandi widening from a single unison note, the *little swirls of "microcounterpoint,"* the note-clusters of seconds and sevenths—had lost a lot of their first freshness.

But I liked the momentum of the piece — its dramatic style and shape; and Patterson has a keen ear for the colour of individual instruments which he puts to good use. There were some stirring sound-events — though fewer threads of solid musical argument — in the exuberant "Sanctus" and noisy "Dies Irae": and a number also of rather beautiful gestures left *undeveloped —the entry of the* choir on "deducant angeli" at figure 48 of the score, for example; or the last bars of the "Ecclesiastes" section, surely crying out for two more glissandi to complete the melody? The performance, directed by Roy Wales, was given with enthusiasm, and well received.

Kaplan Gallery to re-open

David Roberts founder of Cider House Galleries, has formed a new company to re-open London's Kaplan Galleries, which closed in November last year after specialising for 20 years in 19th and 20th century French paintings.

The arts organisation of the new Kaplan Gallery at 8 Cork Street, W1, will continue to be directed by Timothy Pringle, who has been associated with Kaplan for the past 12 years. But although the gallery will continue to exhibit French Impressionist and Post-Impressionists, the scope will be *expanded with new directors* representing both fine art and financial interests.

Embroidery, Jewellery and Silversmithing

An exhibition of embroidery, jewellery andsil versmithing has been mounted at Weston Park (on the A5 at Weston-under-Lizard, six miles north of Junction 12 on M6) lasting until July 21. The exhibition features the work of third-year students from the Birmingham Polytechnic School of Jewellery and Silversmithing and the School of Embroidery.

The School of Embroidery is one of four schools which form the Department of Fashion and Textiles and is one of four recognised BA Honours Design Centres in the United Kingdom to undertake embroidery as a chief study. The work on show includes embroidered lengths for fashion use, lace for interior use, and a toy, conceived as an object to delight a child, which depicts night and day. *There are also panels involving* the free use of hand and machine stitchery, beading and glass.

Canterbury Cathedral exhibition

An exhibition of many of the treasures of Canterbury Cathedral will be opened in the Norman crypt of the Cathedral on July 25. It will include many of the Cathedral's most valuable possessions, some of them not *hitherto seen by the general public*, such as the Saxon sundial and the 12th-century Walter Chalice and vestments. The British Museum is lending some items, including the Saxon disc brooch and Canterbury censer; the Canterbury City Museum will *lend the Canterbury Cross*, Roman silver spoons and other objects. From Lambeth Palace come an 11th-century fresco of Christ presented by Pope Paul VI to Lord Ramsay.

There will also be exhibits *illustrating the crafts involved* in building the Cathedral. The exhibition will remain open for a year. Admission will be 25p (15p for children and old-age pensioners) and the proceeds will go towards the Canterbury Cathedral Appeal.

Gulbenkian Foundation awards

The Calouste Gulbenkian Foundation has announced it is to give ten awards to individual artists working in the visual arts fields this year. These new *awards are another step in the* Foundation's continuing policy of helping the individual artist.

The awards will be in the form of bursaries at the rate of £1,500 in year one, and £1,000 in year two, and will be given to young artists who have already made their mark in one of the various branches of the visual arts, and who have a particular project which the award could help to realise, or who have a particular need which the award could meet

The scheme is not open to direct application by artists but rather through a nomination scheme. Lists of nominators can be obtained from the Foundation, 98, Portland Place, London, W.1. The final selection will be made by a committee, chaired by Sir Norman Reid.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

COMPANY MEETINGS—
Commercial Bank of The Near East, 107, Leadenhall Street, E.C., 12
Hield Brothers, Briggella Mills, Bradford, 12
Hunting Gibson, Avenfield House, 118, Park Lane, W., 12.30
International Combustion, Hotel Russell, Russel Square, W.C., 12
Lipton (L.), Bull Hotel, Oxford Road, Gerrards Cross, Bucks., 2.30
Melville Dundas and Whitson, 21, Blythswood Square, Glasgow, 12
Newman Industries, Dragonara Hotel, Bristol, 12

BOARD MEETINGS—
Finals:
Allied Retailers
Marshalls (Halifax)
Property Partnerships
Ratners (Jewellers)
Reed (Wm.)
Interims:
Ball (W. W.)
Barranquilla Invs.
Creeite
Granada
Mant Secs.
McCleery L'Amie
Robinson Rentals
SGB Group
Vectis Stone

DIVIDEND & INTEREST PAYMENTS—
A V P Prods. Db. 3½pc
Acrow (Engineers) Ln. Stk. 4pc
Adwest Ln. Stks. 3 3 (2nd series) 4pc
Albright and Wilson 5pcPf 1.75pcDb. Stks. 3½ 3 4pc
Alcan Aluminium (U.K.) Ln. Stks. 4½ and 5½pc
Alexanders Hldgs. 9½pcPf. 3.325pc
Alexandra Bldg. Services 5½pcPf. 1.925pc
Allebone Ln. Stks. 3½ and 3½ (Ptly. Cnv.)pc
Allied Insulators 6pcPf. 2.1pc
Allied Suppliers Ln. Stk. 3¼pc
Allnatt London Props. Db. Stks. 6¾ and 7½pc
Amalgamated Power Engs. Db. Stk. 3¾pc. Ln. Stk. 3pc
American Trust Db. Stk. 3½pc
Anderton Force Ln. Stk. 3¼pc

Clyde Port Authy. 3pcIrrd.Stk. 1½pc. 4pcIrrd.Stk. 2pc
Coats Patons 4pcPf. 1.4pc. 6pcPf. 2.1pc. Ln.Stks 4¼, 3¼, 3¼pc
Collins (Wm.) Db.Stk. £2.80137
Colman (Alec E.) Invs. Db.Stk. 4¾pc
Colt Inds. 50 cts
Commercial Union Assnce. 5pcPf. 1.75pc. Ln Stk. 3¾pc
Commonwealth Dvlpmt. Fin. 5½pcDb Stk. 83-86 2¾pc. 7¼ Db. Stk. 84-88 3⅝pc
CompAir Db.Stk. 2¾pc
Conoco Ln Stk. 3¼pc and 4pc
Courage Db.Stk. 1⅞ 1¾ 2⅛ (82-87). 2⅛ (82-87) 3. 3¼pc (74-76)
Craigton Comb. Secs. Db.Stk. 4¼pc
Croda Oleochemicals 7pcPf. 2.45pc
Cummins Engine Ln.Stk. 3¼pc
DCE Vokes Grp. Deb. Stk. 3½pc
Dalgety Db.Stks 3¼ (79-84), 3¼ (85-95), 3½, 4¼pc. Ln.Stk. 4pc
Danish Bacon 5½pcPf. 1.925pc
Dawnay Day Ln.Stk. 2½pc
Dead Sea Works Db.Stk. 2½pc
Debenhams Db.Stk. 3¾pc
Debenture Corp. 5pcPf. 1.75pc. Db.Stks. 2½ (79-83) 2½pc (90-94)
Delta Metal Co. 4½pcPf. 1.575pc. 6pcPf. 2.1pc. Db.Stks. 2¼ (71-76), 2¼ (85-90), 3¼ and 3½pc
Derby Trust Inc. Db.Stk. 3¾pc. Ln.Stk. 2½pc
Desoutter Bros. 3.85pcPf. 1.925pc
Dickinson Robinson Grp. Ln.Stk. 3½pc
Diploma Invests. Ln.Stks. 5¼ 5½ (Ptly. Cnv.)
Direct Spanish Telegraph Ln Stk. 2½pc
Dorada Hldgs. Ln.Stk. 3½pc
Doulton Db.Stk 3½pc. Ln.Stk. 4¼pc
Doulton Engineering Hldgs. Db.Stk 3¼pc
Drake & Cubitt 7pcCPf. 2.45pc
Drayton Comcl. Inv. Ln Stk. 3¼pc
Drayton Prem. Invest. Tst. Ln.Stks. 3¼ and 3¾pc (A)
Dunbee-Combex-Marx Deb.Stk. 3½pc
Dunlop Hldgs. Db.Stks. 2¼, 2¼, 3¾pc. Ln.Stk. 4pc
Dutton-Forshaw Var. rate Ln Stk. 6¾pc
East Lancashire Paper Ln. stk. 3¾pc
East Midland Allied Press 5pcPf. 1.75pc
Eastern Produce Ln. stks. 4¼ and 4¼ Cnv. pc
Edinburgh Dundee Inv. 4½pcPf. 1.575pc
Electrical Industrial Secs. 5pcPf. 1.75pc.

Laurence Scott Db.Stk. 2¾pc
Law Debenture Ln.Stk. 2¼pc
Law Land Db.Stk. 3⅛ 3¼ 3½pc
Le Bas (Edward) 7½pcPf. 2.625pc. Ln. 5 5¾pc
Lead Industries 7pcPf. 2.45pc. Ln.Stk. 5½pc
Leda Invest. Tst Db. 3⅝pc. Ln.Stk. 2¾pc
Lesney Products 7½pcPf. 2.625pc. Db.Stk. 5½pc
Lex Service Grp. 6½pcPf. 2.275pc. Ln.Stk. 4 (carrying Rts) 4¼ 4¼pc
Lincroft Kilgour Ln.Stks 4¼ 5pc
Lloyds Bank Ln.Stk. 3½pc
Lloyds Building Db Stk. 2½pc
Lockwoods Foods 7pcPf. 2.45pc
London County Commcl. Property Db.Stk. 2½pc

United Gas Inds. 10pcPf. 7½pcPf. 2.625pc. Db. 3½pc
United Kingdom and O'seas Inv. Co. 8pc Pf. 2.8pc
United Kingdom Prop. Ln. 4¼pc
United Newspapers 6pcPf. 2.1pc
Vauxhall Motors Ln. 3½pc
Victor Value Db. 3pc
Viking Resources Trust 0.55p
Waddington (J.) 6pcPf 2.1pc. 8pcPf. 2.8pc
Wade (C.) 3.5pcPf. 1.225pc
Wadham Stringer 6¾pcPf. 2.3625pc. Db. 3½, 3¼, 3½pc
Walker Staff Ln. 4½pc
Walker Crosweller Db. 3¾pc
Wallis (Costumiers) 6½pcPf 2.275pc
Ward (T.W.) Db. 4¾pc. Ln. 5½pc
Ward White Co. Ln. 4pc

The Financial Times, published daily except Sundays and holidays.

LABOUR NEWS

Solution remote in Sharman dispute

By Our Labour Reporter

ALLEGATIONS OF violence and blackmail by members of the National Graphical Association have produced a bitter background for moves starting to-day to solve the five-week dispute between the union and the Peterborough-based Sharman group of newspapers.

Neither side was hopeful last night that a joint employer-union committee will be able to find a solution after first hearing evidence to-day. The dispute over the introduction of computer typesetting machinery stems from the increasing pressure which technological developments are putting on NGA members.

Mr. John Sharman, managing director of the family company, said last night that he could see little prospect of an end to the row unless "the union is in a mood to accept what we want to do."

He warned that the company would not reinstate all of the 40 NGA members now on strike because of bitterness created by picket-line incidents. He claimed that journalists and other staff had been intimidated and that the NGA was now trying to "blackmail" his company by threatening advertisers with Sharman newspapers that their advertisements would not be handled in any other publications.

The NGA claims that the company introduced the new equipment, Optical Character Recognition, without prior consultation and it fears consequential redundancies because NGA members will lose some of their traditional type setting work. Sharman says, however, that it installed the new machinery so that its weekly *Peterborough Standard* could be printed as an evening newspaper without an increase in staffing levels.

On Fleet Street, the NGA is faced with even more formidable technical challenges. Several papers are about to embark on the introduction of sophisticated machinery.

Already the Daily Mirror group, the Daily Express and the Guardian have announced plans to introduce up-to-date plant, and other papers are expected to unveil schemes in the near future.

Although accepting the inevitability of such schemes, the NGA, the union which will be most affected by these changes, is unlikely to agree to any enforced redundancy and is certain to insist that any reductions are through natural wastage.

ITV blackout threat lifted for more talks

BY OUR LABOUR REPORTER

A THREATENED blackout of independent television programmes was lifted last night to allow fresh negotiations on a 25 per cent. pay claim by the Association of Broadcasting and Allied Staffs.

But the action by ABAS members in transmitter stations could go ahead later this week if to-day's pay talks fail to break the deadlock which emerged during negotiations with the Independent Broadcasting Authority last Friday.

The employers have offered 22 per cent. rises payable from July 1 to their 3,000 technicians. *Threshold rises* have not been paid under the current agreement so the offer is all new money. But it falls short of the ABAS demand for increases matching the *total* retail price index rise for the past year.

Mr. Paddy Leech, deputy general secretary of the ABAS, said last night that the union had dropped its original claim for 30 per cent. rises plus improvements in a range of conditions after the IBA insisted that the eventual settlement be within the social contract.

"The 25 per cent. we are asking for is in line with the retail price index and with the social contract's guidelines," he added.

Mr. Leech said that the ABAS had called its transmitter station representatives to a meeting to-morrow to consider the outcome of to-day's talks and, if necessary, to make recommendations for future action.

The course of the IBA negotiations may be influenced by the fact that the ABAS has not yet reached agreement with the BBC.

The union has turned down a 21 per cent. offer and there are suspicions that the Government is exerting strong pressure behind the scenes to avoid a repetition of last year's clash when Ministers accused the BBC of breaching the social contract by agreeing to rises of well over 20 per cent.

Unsocial hours pay sought in trawlers

By Our Labour Staff

TRAWLERMEN IN Britain's major fishing ports are seeking a 35 per cent. pay rise in the form of an "*unsocial hours*" award under their next annual pay agreement.

The claim, of £10.50 on basic rates for a seven-day week, would however mean a rise of between 15 and 20 per cent. in average earnings for some 4,000 trawlermen in Fleetwood, Grimsby and Hull.

The employers have rejected the idea of an "unsocial hours" payment, but are consulting among themselves about what rise in *basic rates they are* prepared to offer as an alternative. The men's union, the Transport and General Workers' Union, is insisting on an additional £10.50

TUC guide for workers' safety

THE TUC publishes to-day a 93-page handbook, Health and Safety at Work as a guide for workers' safety representatives who are to be appointed later this year under the new Health and Safety Act.

The handbook, *price* 25p, covers the whole field of industrial health and safety and is, according to the TUC, the first of its kind to be published since the new *legislation* was enacted.

U.S. talks bring hope for sit-in workers

DEVELOPMENTS are expected this week in the Imperial Typewriters factory workers sit-in at Hull. A Transport and General Workers' Union negotiator is *expected back* from America to-day with news of discussions with an international company of office equipment manufacturers.

Mr. David Cairns, TGWU Humberside regional officer, said that if the negotiations were successful a new company, to be known as New Harmony, could be in business producing office equipment by the end of the year. The workers would have a 51 per cent. holding.

About 300 former workers began the sit-in when Imperial Typewriters closed the factory for economic reasons in February.

Ladbroke's dismiss 300

THREE hundred Glasgow employees of Ladbroke's, the bookmakers, have been sacked for refusing to call off a week-long strike.

A company spokesman said: "The people on strike have been dismissed. There no longer is a strike."

The managers and settlers wanted a wage rise of £10 a week. A meeting with Ladbroke's management failed to resolve the situation.

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
To-day	Royal Agricultural *Show (cl. July 3)*	*Kenilworth*, Warwicks.
July 1—3	Electronics Exhibition	Leeds University
July 1—4	B'ham and Midlands Bus. Equipment Exbn.	Birmingham
July 8—9	Business '75 Exhibition	Middlesbrough
July 8—10	Great Yorkshire Agricultural Show	Harrogate
July 8—11	Intnl. Audio-Visual Aids Exbn. and Conf.	Olympia
July 11—12	Kent Agricultural Show	Maidstone
July 14—26	North-West '75 Home and Leisure Exbn.	Blackpool
July 18—26	Brighton Antiques Fair	Corn Exchange
July 20—21	*Fish Catering Services Exhibition*	*Regent Centre Hotel, W.1*
July 20—24	Northern Lighting Exhibition	Manchester
July 20—24	Harrogate Gift Fair	Harrogate
July 22—24	Royal Welsh Show	Builth Wells
July 28—Aug. 1	Intnl. Fire Exhibition and Conference	Olympia
July 29—Aug. 2	Tyneside Summer Exhibition	Newcastle upon Tyne
August 2	Perthshire Agricultural Show	Perth
August 3—7	Midlands Toy and Gift Fair	Solihull

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	International Motor Show (cl. July 6)	Athens
Current	Housing and Public Works Exhibition (cl. July 6)	Naples
July 1—8	International Saba Saba Trade Fair	Dar es Salaam
July 3	Zambia Trade Fair	*Ndola*
July 4—5	Glazing and Window Frame Exhibition	Stuttgart
July 4—13	Food and Agricultural Machinery Exhibition	Sao Paulo
July 6—11	Pure and Applied Chemistry Exbn. and Congress	Jerusalem
July 8—17	Intnl. Fire Engineering Exhibition	Moscow
July 14—18	Medical Exhibition	Johannesburg
July 14—18	National Housewares Exhibition	Chicago
July 15—24	Manf. Equip. for Aluminium Products	Moscow
July 18—20	Processed and Speciality Foods Fair	Bombay
July 20—Jan. 18	International Ocean Exposition	Okinawa
July 26—Aug. 3	Dornbirn Fair	Dornbirn, Austria
July 26—Aug. 3	International Arts and Antiques Fair	Helsingborg, Sweden
July 28—Aug. 1	Packaging and Food Processing Exhn.	Johannesburg
July 28—Aug. 2	Instruments, Automation, Electronic Control	Melbourne
July 28—31	*Western Packaging Exhibition*	*Anaheim, U.S.*
August 5—8	Aids to Navigation (Trinity House sponsored)	Ottawa

BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
Current	Urwick Man.: Comp. Systems Analysis (cl. July 11)	Slough, Bucks.
To-day	Computer Power: Advanced Filetab (cl. July 1)	Cannock, Staffs.
To-day	Strat. Man.: Creativity and Innovation (cl. July 1)	London Bus. School, N.W.1
To-day	S. Wales Eng.: Materials Cons. (cl. July 2)	Cardiff
To-day	Dunchurch College: Offshore Oil (cl. July 2)	Dunchurch, near Rugby
To-day	Aberdeen—Europe's Offshore Capital (cl. July 3)	Aberdeen
July 2	Assn. of Cert. Accnts.: Current Taxation	Imperial Hotel, W.C.1
July 3	Inbucon/A.I.C.: Job Design at Work	Barrington House, E.C.2
July 3	South African Investment Seminar	Intercontinental Hotel
July 3	JACTA: *Timber Products Seminar*	*NFBTE Conf. Centre*, W.1
July 3	Staniland Hall: Outlook for Leisure to 1980	London Hilton, W.1
July 7—11	P-E Cons. Group: Maintenance Management	Egham, Surrey
July 7	Financial Training: Inflation Accounting	Cafe Royal, W.1
July 8—10	FT Man. Serv.: Getting Fin. Facts Straight	Charing Cross Hotel, W.C.2
July 8	Arab Mkt. Res.: Selling to Arabian Peninsula	Cafe Royal, W.1
July 8—9	Graham & Trotman: Offshore Service Business	Manchester
July 8	BACIE: Television in Training	Goldsmiths' College, S.E 14
July 8	Inbucon/A.I.C.: Relocation or Dislocation	Financial Times Cinema
July 9	Inst. Directors: Cap. Trans. Tax and Small Bus.	Royal Garden Hotel, W.8
July 10	New Law Journal: Revenue Law	Cafe Royal, W.1
July 11—13	IEE: History of Electrical Engineering	Manchester University
July 14	CBMPE: Electronics in Offshore Operations	Cafe Royal, W.1
July 14—18	Louis A. Allen & Ass.: Professional Management	Grand Hotel, Eastbourne
July 14—18	ABRAXAS: Basic Synectics Course	Richmond Hill Hotel
July 14—18	IPM: Work of Personnel Department	Berners Hotel, W.1
July 14—18	Harry Mitchell & Partners: Incentives	Beeston, Notts.
July 14—18	Inst. of Purchasing: Practical Buying	Nottingham
July 14—18	Kepner-Tregoe: Decision-Making	Whateley Hall, Banbury
July 15	North Paul & Ass.: Transactional Analysis	The Gloucester, S.W.7
July 15—19	RICS annual conf.: Energy and Development	Edinburgh University
July 16	Market Imp.: Where have all the Profits Gone?	Portman Hotel, W.1
July 17	Inst. Manpower Stud.: Industry's Manpower Needs	London Sch. of Economics
July 17	WIRA: EEC and U.K. Wool Textiles	Headingley Lane, Leeds
July 17	IARC: Rothwell Miller Interest Blank	57, Marylebone High St., W.1
July 18—19	Inst. Met. Tech.: Optical Microscopy	Sheffield
July 23—24	Financial Times, Irish Times and Berlinske Tidende: Europe after the Referendum	Dublin
July 29—31	ASM: Project Management	Piccadilly Hotel, W.1
August 3—8	N-E London *Polytechnic: Systems* Workshop	Chelmsford

APPOINTMENTS

appointments also appear to-day on page 36

HOME NEWS

Inflation-proof scheme for National savings starting

BY CHRISTOPHER HILL

THE NEW National Savings inflation-proof Save-As-You-Earn *scheme comes into operation* to-morrow.

It is intended for savers aged 16 or over who wish to save a fixed monthly sum, varying between *£4 and £20* over a five-year period. On repayment, the 60 contributions will be adjusted in line with the change in the Retail Price Index during the period they have been invested.

At the end of the five years, an alternative to repayment is to leave the money invested for a further two years. Then they will continue to be adjusted in line with the change in the RPI and will qualify for a bonus equal to two monthly contribu*tions.*

SAYE is free from income tax or capital gains tax. Investors who surrender their plan at any *time after the first year qualify* for a 6 per cent. interest rate, but will not qualify for the inflation adjustment.

Monthly payments may be by banker's order, Giro, cash over the Post Office counter, or deduction from pay. But savers who wish to pay by bankers's order should note that the application form is available only at banks.

Giro and cash payment application forms are available at Post Offices. The application forms come *in different colours — red* for the bank standing order, green for the Post Office, and black and blue for variations of the employers' scheme.

Fuller details about the terms of index-linked SAYE are set out in the prospectus attached to application forms.

This is the second of the National Savings inflation-proofed schemes. The first, the index-linked retirement certificates for people of State pen*sionable age, was launched on* June 2 and attracted £10m. in each of its first two weeks.

The Department for National Savings thought that initial applications *reflected larger sums* from more sophisticated investors, whereas larger numbers of smaller applications might be expected as the scheme got under way.

In the first week there were reports of some Post Offices and Trustee Savings Banks running out of application forms. The investment limit on the retirement certificate is £500.

Ford may return to separate car delivery charge

BY PETER FOSTER

FORD MOTOR Company is to change the pricing structure of its cars.

Delivery charges—included in *the list price of Ford cars for* the last 10 years—are expected to be excluded, the practice followed by other major manufacturers. The delivery charge is usually about £25.

Since the now regular quarterly round of motor industry price increases is in full swing it is also expected that Ford will make a price announcement shortly. The company will be keen to avoid any charges of "concealing" price increases *through the exclusion of delivery* charges.

The Office of Fair Trading has for some time been negotiating with the Society of Motor Manufacturers on a code of practice, *which it announced to-day, has* been agreed in principle.

The OFT has stressed that there is a need for the advertised *prices of cars to be pre*sented clearly and on a comparative basis by manufacturers, so that consumers can make a valid comparison.

One of the main reasons behind Ford's move is likely to be that the company feels that it has been at a disadvantage *when prospective customers* have compared ithe prices of Ford cars with those of other manufacturers.

● Ford is examining ways to step up production of its new *Escort—the most popular car on* the British market.

The management is studying "half a dozen options," a company spokesman said yesterday. One of these is to move Capri production from Halewood and to either Dagenham or Germany.

This would enable Halewood to concentrate on the Escort and a new cheaper version, the Popular, which is due to be launched to-day.

The Halewood plant is turning *out 48 Capris a day, compared* with 750 Escorts.

Motor exports at peak

BRITAIN'S MOTOR exports in May were almost three times the level of its motor imports, according to the Society of Motor Manufacturers and Traders' figures.

Exports of all motor industry products hit a new peak for any month. At £254m. they were over 50 per cent. up on last year, *although imports also showed a* rise of 42 per cent. to £94m.

The "trade gap" on cars, however, was sharply narrowed. Although car exports rose 20 per *cent. to £48.4m., imports rose by* 50 per cent. to £44.2m. during the month, thus narrowing the gap to £4.2m.

The outstanding performances came from commercial vehicles and components, parts and acces*sories. Earnings from commer*cial vehicle exports leapt by 65 per cent. in May to £43m., while imports were less than 7 per cent. higher at £9m. An increase of 48 per cent. in earnings from components, parts and accessories to £109m. contrasts with imports of similar equipment *valued at £32m.*

For the five months ended May, total motor exports were 43 per cent. higher, at £1,034m., on the same period of last year, while imports were 41 per cent. up at £448m.

CHRYSLER PRICE INCREASE

Chrysler is increasing the prices of its cars and commercial vehicles by an average 5.5 per cent. from to-morrow. The increases apply to the entire domestic car range and to imported Simca models. The Dodge K3820P Truck is not affected.

Examples of the new prices, including car tax and VAT, are: Hillman Imp Saloon, £1,246 *(£1,179)*; *Avenger Deluxe 1600* c.c. four-door saloon, £1,649 (£1,574); Hunter Deluxe 1725 c.c., £1,811 (£1,705); Simca 1100 LS Five-door, £1,519 (£1,433); Chrysler 180, £2,468 (£2,328).

State regional aid list for companies released

FINANCIAL TIMES REPORTER

DETAILS OF companies which have received selective regional assistance under the terms of the Industry Act 1972, until now kept secret, have been released by the Department of Industry.

Information about assistance has been treated in strictest confidence but Mr. Eric Varley, the Secretary for Industry, has kept a pledge by his predecessor, Mr. Anthony Wedgwood Benn, to reveal details of all grants and loans beyond £10,000.

The first 100 names released account for £10.6m. of Government funds, the first payments of which have been made between January 1 this year and the end of March.

Included among the major recipients are United Glass, which has been offered an interest-relief grant of £486,000 to assist the development of its glass-container operations in Scotland. Another major name is the printing concern Tinling (1973), which had a £400,000 loan to maintain employment, but which has since gone into receivership.

Other recipients are drawn from a wide cross-section of industries, and most have been given help as part of the Government's attempts to stimulate employment, while in a few cases the preservation of existing employment has been the major factor.

In the hard-pressed bakery industry, where there have been several failures among the *medium-sized plant bakers.* Independent Bakeries has been offered a loan of £550,000. Dubilier Electronics, the electric and electronic component manufacturer, which has moved a substantial part of its activities from Acton, London, to Liverpool, has been given a removal grant of £688,000.

According to the Department, other names to receive help include Main Gas Appliances, offered an interest relief grant of £189,000; and Devon Concrete Works, a loan of £225,000. British Leyland, in line for the biggest injection of cash ever made by the State, also received an interest relief grant of £36,000 for help with its operations in Yorkshire and Humberside. Plessey was offered £156,000, also in the form of an interest relief grant, for assistance in Wales. Other companies to receive assistance over £10,000 include BGK (Aluminium); Charles Churchill; Rediffusion Vision Service; Henry Simon; Sharna Wear (Manufacturing); Doulton Glass; Luke Anthony; and Click Shelving.

Success of new lathe improves EMI-MEC job prospects

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

A £3M. research and development programme by EMI-MEC, the EMI Group's machine tool subsidiary, to produce a new *automatic capstan lathe has paid* off at just the right time.

It has been successfully pre-sold overseas and as a result the company will be taking on more *employees at a time when it* would otherwise have had to declare redundancies in view of the world machine tool recession.

Mr. Douglas Love, EMI-MEC's *managing director, says that* £500,000-worth of the new machines, which cost around £10,000 each complete with tooling, have already been sold for export delivery starting in January.

When the automatic lathe, controlled by a plugboard instead of the more expensive computerised techniques, went on show at the European machine tool exhibition in Paris which ended last week, there was also considerable interest from U.K. customers.

"We were slightly embarrassed by the British interest in the machine and we are now slightly oversold," said Mr. Love.

He estimated that the company, which employs 212 people at its main factory at East Grinstead, Sussex, and a second unit *at Holsworthy, Devon, would* need another 100 people to cope with demand.

The company, in good years, had been selling 50 a month of its previous best-selling capstan lathe "and the potential market for the new one is even bigger."

The standard capstan lathe was designed 50 years ago and since then there had been no progress at all in the U.K. "The foreign companies are producing beautiful machines and we *couldn't wait for someone in* England to do something, so we designed our own. It seems to be a world winner and without it we would have been in very *serious trouble. But now all our* people will be employed in what is a deep recession."

First orders were taken from overseas agents who saw only photographs and specifications. After Paris the machine, known as the Auto Sprint Series "S," will also be shown in South Africa, Iran and Czechoslovakia.

Liberals annoyed by cut in Strasbourg seats

BY JOHN BOURNE, LOBBY EDITOR

LIBERALS AT the party's National Executive meeting in London at the week-end were annoyed that their representation at the European Parliament in Strasbourg had been halved by the Government.

They complained that with the advent of the Labour Party delegation of 18, Lord Gladwyn's name had been dropped from the list of British representatives, leaving the Liberals with only Mr. Russell Johnstone, MP for *Inverness. The Independent Lord* O'Hagan had also been removed.

Last Tuesday Mr. Jeremy Thorpe, the Liberal leader, saw the Prime Minister and argued unsuccessfully the case that the Liberals should keep their two delegates.

The Liberal National Executive agreed to "deplore the removal of committed and active pro-European Parliamentarians." It recommended that immediate action be taken by the Liberal Parliamentary Party to urge Mr. Wilson to restore the two Lords to Strasbourg, to review the *method of selection and initiate* action to arrange for direct elections

Witnesses called from Israel

Financial Times Reporter

EIGHT ISRAELI banks have been asked to send witnesses to Britain this week to give evidence in the case of three City men accused of being involved in a big fraud plot against them four years ago.

Committal proceedings are due to start at Guildhall court to-day against Mr. Ivor Gershfield, 47, economist, Mr. Isidor Heller, 48, company director, and Mr. Asriel Heller, 46, retired businessman, who are alleged to have been concerned with transactions over letters of credit from the former City finance house, Heller and Partners, at the time.

Mr. Gershfield was formerly director of City Finance for Commerce, which went into liquidation with a heavy deficiency in 1971.

The witnesses are flying to London as the committal hearing will last nearly a month and the defence may want to cross-examine them closely.

Plan for European parcels network

BY ROY HODSON, REGIONS EDITOR

A NEW network of services between Britain and the Continent for collection and delivery "door to door" of parcels and small freight is being devised by National Carriers and is expected to be fully operational by the autumn.

The nationalised company, working in conjunction with public transport systems in some European countries, and private carriers in others, is developing a system for collection, or delivery, between any point in Britain and any point in France, Holland, West Germany, Belgium and Luxembourg. Later the services will, it is hoped, extend to Italy as well.

Price lists are now being printed which enable any pros*pective shipper to determine at* a glance the rate for a parcel or a consignment from his depot in Britain to any West European destination.

New documentation is also being prepared together with notes in simple English to guide *exporters on customs procedures.*

The system is already running as a pilot service with regular container loads shuttling between Newhaven and Dieppe on the Sealink vehicle ferries. On the French side the national carriers Sernam take over the trailers for forwarding and distribution.

To serve the north European countries, a circular route is planned by which regular road trailers of parcels will leave Britain by the Harwich-Hook of *Holland route* and return by Ostend and Dover.

Minimum chargeable weight is to be 50 kilos and although the network is not designed to *handle heavy or bulk exports it* will be able to take up to several tons.

"The parcels market with Europe has a tremendous growth potential," said Mr. *Alan* Richards, assistant managing director of National Carriers.

"A Channel shuttle network making use of our depots and facilities in Britain and those of our partners in the various European countries is the obvious way to develop a cheap, fast, and reliable service."

West 'subsidising Soviet Union with technology and finance'

FINANCIAL TIMES REPORTER

WESTERN DEMOCRACIES are *subsidising the Soviet Union* with the provision of technology and finance in ways which are "undermining our own world of free enterprise," according to Mr. Anthony C. Sutton in a new Aims for Freedom and Enterprise pamphlet published to-day.

The author, a noted academic critic of Western technological exchange with the Communist world, suggests that as much as 80 per cent. of the Soviet Union's technology has come from *Western capitalism.*

Far from serving to help the cause of peace, he argues that this trade is being used against *the West.*

Taking the specific example of the maritime field, Mr. Sutton suggests that of 84 identifiable ships used to supply North Vietnam during the war there, 71 were built outside the USSR.

The other 13 were built inside the Soviet Union but with engines to the specifications of Western companies and with their technical assistance.

More broadly, he quotes Soviet official data showing that from *1918 to 1968, only 34 per cent.* of Soviet merchant hulls were built inside the USSR and 66 per cent outside.

"*The Soviets,*" *he concludes,* "could not have supplied North Vietnam, and they provided about 80 per cent. of the weapons and supplies, without this prior technical assistance and construction of merchant ships.

"One cannot argue that the Soviets would have substituted 'Soviet' ships. The Soviet-built component is only 34 per cent. of the hulls and zero per cent. of the marine diesel engines."

National Security and Trade with the Soviet Union, available from Aims, price 20p.

OVERSEAS NEWS

Lebanon teeters on the brink

BY IHSAN HIJAZI

BEIRUT, June 29.

LEBANON, caught in the worst national strife in its 32-year independent history, appeared to-day on the brink of disaster as fighting between rival factions expanded, heavier weapons used, and the five-week old cabinet crisis remained completely deadlocked.

All night and well into to-day, this capital echoed to the sound of mortar fire and rockets exchanged between right-wing members of the predominantly christian Phalangist party and leftist factions supporting the Palestinian guerilla movement.

Police said the fiercest clashes in six days of fighting between Left and Right-wing groups in Beirut left 35 people dead and more than 200 wounded to-day, Reuter reports. The latest casualties brought the official toll for the past six days to at least 90 dead and more than 350 wounded.

This morning, the authorities advised the public over radio Lebanon that the approaches to the city as well as its streets were unsafe and that it was advisable not to circulate. The announcement said that many citizens had inquired about how to get out of town to safer grounds in the mountains.

President Suleiman Franjieh summoned his army commanders for a meeting amid unconfirmed reports that a new cease-fire was under negotiation.

Mr. Abdel Halim Khaddam, Syria's Foreign Minister, was on his way to Beirut in yet another effort to mediate between the two sides.

Some activity in downtown Beirut early yesterday was brought to a complete halt after snipers took up positions at the banking centre, where most of the local and foreign banks maintain their head offices, and at Martyrs Square in the heart of the city. They clashed with security forces, who said they arrested a number of them. The detainees turned out to be members of the Phalangist party. They said they were protesting against the rocketing of the Phalangist headquarters here for the second night running.

In the first rocket attack, one man was killed at the printing press of the Phalangist daily organ, Al Amal, which is located in the party's offices.

Late last night, a powerful explosion rocked a building which housed the offices of several guerilla organisations at the Palestinian quarter of Sabra.

Five people were reported killed and 15 wounded in the explosion, which further heightened the tension.

Two nights ago, two mortar shells fell and exploded not far from the headquarters here of commando leader Yassir Arafat, but none of the commandos was hurt.

After the blast at the commando offices last night, the shelling between the two rival factions intensified. Many shells fell on the Phalangist-dominated quarters of Ashrafyah and Al Nasrah.

Fighting had earlier spread to other quarters. A grocery store where the foreign community usually shopped was wrecked and burned.

Hundreds of families yesterday moved to the summer resorts while more people have deserted the two beleaguered southern suburbs of Chiyah and Ain al Rummaneh.

Beiruit to-day, like yesterday and Friday, looked like a ghost town with its streets completely deserted and shops, restaurants and cinemas closed.

There were also reports that

BEIRUT, June 29.

PREMIER - DESIGNATE Rashid Karami announced here to-night he had great hope that decrees forming a new Government would be issued to-morrow. For more than one month he has sought to reconcile deep and bitter difference between the almost exclusively Christian right-wing Phalangists and the mainly Moslem right-wingers.

Mr. Karami said that after meeting with President Suleiman Franjieh for six hours he had reached "positive solutions that make me affirm they will lead to the formation of a Government which will assume responsibility for taking the country out of its current impasse."

From Baghdad Iraq called for an emergency meeting of Arab Foreign Ministers to discuss the situation in Lebanon.

Reuter

U.S. will auction more gold to-day

By Adrian Dicks

WASHINGTON, June 29.

THE U.S. Treasury will hold its second public gold sale here to-morrow, offering 500,000 ounces of the metal in order, it hopes, to meet domestic demand and restrict a troublesome item on the debit side of its international payments account.

Another consideration must also be the impasse among the major industrialised countries in their continuing discussions within the International Monetary Fund of a new world monetary order.

The future role of gold, and the degree to which major central banks might be allowed to resume settlements in it, remains one of the outstanding differences between the U.S. and France.

As long as this situation persists, Washington's interest will be to stress that gold is merely a commodity and to try to play down the significance of fluctuations in its price. However, the U.S. authorities are also, no doubt, hoping that the sale—which may be followed by others later this year—will help to depress the price.

KISSINGER'S ROLE CRITICISED

By Adrian Dicks

WASHINGTON, June 29.

DR. HENRY KISSINGER'S dual role as Secretary of State and National Security Adviser to the President should not be extended to any of his successors once he has left office, according to a report issued here over the week-end on the re-organisation of American foreign policy-making procedures.

The report is the outcome of a high-level committee set up two years ago by President Richard Nixon in response to bitter criticism in Congress of his Administration's secretive style in the conduct of the Vietnam war and the bombing of Cambodia.

Uganda arms imports cause growing fears in East Africa

BY JOHN WORRALL

NAIROBI, June 29

THERE IS growing uncertainty in Uganda's neighbours Tanzania and Kenya about the purpose of a substantial build-up of military hardware by General Idi Amin. There are fears that the Ugandan President may have designs on the rest of East Africa, although he has boasted the arms are to give teeth to a Black Africa "invasion" of Rhodesia and South Africa.

The Kenya Government, on orders from President Kenyatta, has released two large consignments of Russian arms for President Amin which were impounded in Nairobi last week. Four giant road transporters carrying tracked vehicles are now on the way to Uganda. It was suspected the transporters were carrying ground-to-air missiles, and some carried tanks, but President Amin denied this and said they were tracked ferries to transport cars across the River Nile.

Thirteen rail wagons, containing Russian military hardware, including arms and ammunition, and some ambulances, were also released this week-end after being held up at Nairobi railway station. Russian military personnel, which had escorted the convoy from Mombasa, where they arrived in a Russian ship, were arrested last week by Kenya police and immigration officials in Nairobi and flown to Uganda.

There were immediate protests from the Kenya Government, which had been angered by President Amin's accusations that Kenya was to be used for a British invasion of Uganda, if the execution of British lecturer Mr. Denis Hills was not abandoned. It is understood that the arms were released and allowed to continue their journey to Uganda after a telephone call by President Amin to President Kenyatta, allaying Kenya's fears.

The arms are part of a continuous build-up by Amin of Russian military hardware, including MiG 21 jet fighters over the past two years. A few months ago a convoy of tanks passed through Kenya from Mombasa. Under the Treaty of East African co-operation the two seaport countries are bond to allow free passage of goods to landlocked Uganda.

The Nairobi Daily News this week-end urges the Government to ban further transportation of military hardware to Uganda on the basis that "our neighbour is not friendly, he is hostile."

Meanwhile there is growing nervousness among the 700 Britons remaining in Uganda after the arrest by Uganda security forces of two Britons on charges of spying. In the next few days there is expected to be a considerable exodus of Britons, and the Acting British High Commissioner, Mr. James Hennessy, has contingency plans for their evacuation by airlift if things get tough.

Reuter adds from Kinshasa: President Amin will arrive here to-morrow for an official visis lasting several days at the invitation of Zaire President Mobutu Sese Seko, the Zaire news agency Azap reported today. Azap gave no details of the reason for the visit, saying only that President Mobutu will meet General Amin on his arrival at the airport. Zaire is one of several countries ready to mediate in the dispute between General Amin and the British Government over the fate of Mr. Hills, due to be executed next Friday for alleged treason.

Gaullist leader is elected unopposed

By Robert Mauthner

PARIS, June 29

M. ANDRE BORD, the French State Secretary for Ex-Servicemen, was elected as the new Secretary General of the Gaullist UDR party on Saturday in succession to M. Jacques Chirac, the Prime Minister.

M. Bord, 52, was the only candidate for the post, from which M. Chirac resigned earlier this month because he felt that his task of restoring the Party's unity and confidence after the disappointments it had suffered during last year's French presidential election had been successfully accomplished.

As "honorary" Secretary General, however, M. Chirac remains the effective "boss" of the Party, still the biggest single political group in Parliament, and it is significant that M. Bord was the PM's own choice and that he was unopposed. The change in the Party's top post is therefore more apparent than real and the Gaullists will clearly continue to support the President's and government's policies as faithfully as they have done ever since M. Chirac took over the UDR leadership last December.

If anyone still had any doubts that President Giscard d'Estaing himself was behind both M. Chirac's "coup" six months ago and his unexpected resignation on June 15, these were effectively dispelled at the end of last week by M. Michel Poniatowski, Minister of the Interior, and the President's long-standing friend and counsellor. In a speech to the National Gouncil of the Independent Republicans, M. Giscard's own party before his election as President of the Republic, M. Poniatowski stated that the President had instructed both M. Chirac and himself to take over the leadership of their respective parties. At the same time, he had asked them to retain their top party posts only as long as was strictly necessary.

Egypt Minister arrives for Tehran talks

By Robert Graham

TEHRAN, June 29.

THE EGYPTIAN War Minister, General Abdel Ghani Gamassy, has arrived here for a series of top-level meetings with members of Iran's armed forces. This is the first time that an Egyptian War Minister has visited Iran and considerable importance is being attached to his presence here.

General Gamassy, who arrived on Saturday, is being accompanied by a team of military experts. Apart from briefing Iranian military commanders on the latest developments in the Arab-Israeli conflict, he is expected to explain Egypt's moves to establish a home-based armaments industry.

Israel under heavy U.S. pressure

BY L. DANIELS

TEL AVIV, June 29

THE MOST crucial decisions that the Israeli administration has yet had to face will have to be taken if not to-day then within the next week or so.

The Egyptian rejection of Israel's latest proposals suggesting, inter alia, the sharing of the strategic Sinai Passes was conveyed to the Israeli ambassador in Washington by President Ford himself and all reports from the American capital indicate that it has been made very clear that Washington expects Israel to make further concessions. The alternative for Israel could be the cessation or drastic pruning of American economic aid and military hardware. The fact that the U.S. administration is apparently throwing much of its weight on the side of Cairo must also of necessity stiffen Egyptian, and eventually Syrian bargaining terms and therefore place even greater pressure on Mr. Rabin and his colleagues who were meeting in cabinet to-night.

Egypt apparently wants Israel to evacuate the whole of the Mitla and Gidi passes area (including the early warning installations) thus putting the flatlands of Sinai under complete Egyptian control. This is in addition to Israel surrendering the other major card she was holding namely control of the Abu Redeis oilfields on the Gulf of Suez. Israel in her proposals to Egypt, which were rejected by Cairo, has suggested Egyptian access to the oilfields.

In return Cairo is apparently unwilling even to make a declaration of non-belligerency as long as parts of Sinai remain under Israeli occupation. Thus the respective positions of Israel and Egypt still appear irreconcilable.

Reuters and UPI add from Jerusalem: Opposition leaders called on the Israeli Government to-day not to bow to American pressure for a complete withdrawal from vital passes in the occupied Sinai Desert.

The Israeli Press also expressed indignation and concern over an apparent ultimatum by the U.S. to withdraw from the two Sinai mountain passes or risk a serious confrontation with Washington.

The Israeli Cabinet met for four hours to discuss peace moves but no decisions were announced after the meeting. A communique said the Cabinet would meet later this week after clarification on various bargaining points had been received through diplomatic contacts here and in Washington.

Land reforms expected in Kaunda's economic plans

BY TREVOR GRUNDY

LUSAKA, June 28.

AGAINST a backdrop of falling copper prices, low foreign reserves, a soaring urban growth rate and massive import bills President Kaunda is about to swing his entire economy leftwards and give more power to his peasants and workers at the expense of what he is now referring to as his "elitist" middle class and entrepreneurs.

At the national executive meeting of his ruling United National Independence Party (UNIP) in Lusaka this week the 51-year-old Head of State is all set to declare a Tanzania-type war on the wealthy.

There is speculation here that Kaunda will move towards complete State ownership of land, impose a ceiling on the size of private companies before they are made public and send top leaders back to the land to live and work with the people. This week's expected reforms will be the most far-reaching since the great change introduced at Mulungushi in 1968 and Matero in 1969 when Kaunda announced the nationalisation of 25 leading companies and a Government takeover of the all-important copper industry.

Speculation is rife that the President will announce major land reforms, and move against the new Zambian landlord class, the main beneficiaries of the 1968 and 1969 reforms. They will come at a time when copper is virtually uneconomic to produce, when Zambia's foreign reserves are down to Kwacha 24m. (Kwacha 195m. in September last) and when many businessmen are thinking of laying off staff on a temporary basis because of the near impossibility of obtaining import licences.

In the second quarter of this year companies requested foreign orders worth Kwacha 172m. Kwacha 6m. worth were approved. The hardest-hit sector of the economy is construction, but small clothing factories and manufacturing concerns say they will have to close soon, adding to the unemployment problem.

By the end of next year another 350,000 primary schoolchildren will be on the labour market and their only hope of a job is within the agricultural sector which is now seen as Zambia's only economic survival hope—unless copper prices rise again which even the most optimistic Zambian planner no longer expects.

TURKS EXPEL 250 GREEK CYPRIOTS

By Our Own Correspondent

NICOSIA, June 29.

THE TURKS to-day expelled 250 more Greek Cypriots from villages in the north of the island, in addition to the 178 people they ordered out of the Turkish-held area last Friday.

Greek Cypriot authorities say the deportations are creating a "most serious situation."

Sra. Peron fights the unions

By Robert Lindley

BUENOS AIRES, June 29.

PRESIDENT Maria Estela Peron has strongly rebuked the General Confederation of Labour (CGT) in its wage demands by annuling the results of the recent round of free bargaining in which many unions obtained rises of more than 100 per cent.

Appearing on nationwide radio and television, she delivered an angry response to Friday's mass demonstration and general strike here, called by the CGT, during which wage earners angrily insisted that she ratify the rises. Instead, going back on her word that the free bargaining would be honoured, Sra. Peron set a 50 per cent. ceiling on wage rises as from June 1, with a promise of two further 15 per cent. rises, one in October and the other in January.

Castigating political leaders, including many in the Peronist party, as well, she said the only way out of the crisis was "a healthy and just austerity."

Labour Minister Ricardo Otero was sitting with the other Cabinet members beside Sra. Peron when she delivered her rebuke from the Presidential villa—but he immediately announced his resignation "for health reasons."

There was no immediate reaction from the CGT because its Secretary General, Casildo Herreras, and metalworkers leader Lorenzo Miguel, head of the country's strongest union, are out of Argentina.

It would seem that the labour leaders have only two recourses: take the presidential rebuff quietly, with the attendant strong risk that union membership will topple them. Or declare an unlimited general strike, which conceivably could topple Sra. Peron and her eminence gris, Social Welfare Minister — and Presidential Private Secretary — Jose Lopez Rega.

Entertainment Guide

OPERA & BALLET

COLISEUM. (01-836 3161.) ANTONIO & THE NATIONAL DANCE COMPANY OF SPAIN. Evenings at 8. A breathtaking and colourful spectacle.

COVENT GARDEN. 240 1911 THE ROYAL OPERA Tonight and Thur. 7.30 Death in Venice. Tomor. and Fri. 7.30 Cosi fan tutte. Wed. and Sat. 7.30 Falstaff. Seats avail.

GLYNDEBOURNE FESTIVAL OPERA Until August 6 with the London Philharmonic Orchestra. To-day at 5.30 The Rake's Progress (Stravinsky). Tkts. £11.50 and £10.80 at 2 for the price of 1 Tomorrow at 5.15 Yevgeny Onyegin (Tchaikovsky) Wed. and Fri. at 5.30 Cosi Fan Tutte (Mozart) possible returns only. Box Office: Glyndebourne, Lewes (Ringmer 812411) and Ibbs and Tillett, 124, Wigmore St. (01-935 1010).

SADLER'S WELLS TH. Rosebery Ave. EC1. 837 1672. July 3 (Thurs.) & July 4 (Fri.) only at 2.30. BALLET RAMBERT Special programme for young people. TAKE A RUNNING JUMP BALLET RAMBERT LONDON SEASON opens Monday next. Now booking.

THEATRES

ACT INN, 37, Brewer Street, W.1. Tues.-Sun. 8.0 Patricia Samuels, Richard Huggett in THE FIRST NIGHT OF PYGMALION by R. Huggett.

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Mat. Thurs., Sat. 3.00. JEAN SIMMONS HERMIONE GINGOLD JOSS ACKLAND in A LITTLE NIGHT MUSIC "Music that Ravishes the Senses. A Show Kissed with Genius." Gdn.

ALBERY. 836 3878. Mon. to Fri. 8. Sats. 5 and 8.15. Mat Thurs. 3. JUDI DENCH, DANIEL MASSEY THE GAY LORD QUEX with SIAN PHILLIPS Directed by JOHN GIELGUD "I enjoyed it immensely." F.Tms. "Worth a record run in the West End." D.Ma.

ALDWYCH. 836 6404. Return by public demand of Tom Stoppard's award-winning TRAVESTIES "Should on no account whatever be missed." Obs. (Evgs. 7.30. mat. Sat. 2.30). Ends July 12. Recorded booking info. 836 5332.

AMBASSADORS. 836 1171. Mon.-Thurs. 8.15. Fri. 6. 8.15. Sats. 6.30. 8.45. Geoffrey SUMNER. Jane DOWNS. Terence ALEXANDER. Joyce HERON. Bill KERR. Marguerite HARDIMAN. Helen GILL. Ray COONEY in London's Hit Comedy THERE GOES THE BRIDE Seats £2.50, £2, £1. OR All-inclusive Top-price Theatre Ticket plus Dinner at a delightful nearby restaurant £5.50 per head.

AMBASSADORS. Also Late Night Revue at 11.15 p.m. to 12.15 (All seats £1.50) HINGE & BRACKET SIXTY GLORIOUS MINUTES

APOLLO. 437 2663. Evenings 8.00. Mats. Thurs. 3.0, Sats. 5.00 and 8.30. Margaret LEIGHTON Alec GUINNESS in A FAMILY AND A FORTUNE

ARTS THEATRE CLUB 836 3334 Great Newport St. (adj. Leic. Sq. Underground). Instant Temp. Membership avail. 15p. Evs. Tuesday to Sunday at 8.00. KENNEDY'S CHILDREN "The play is fantastic."—Observer.

CAMBRIDGE THEATRE. 836 5056. Michael DENISON. Derek GRIFFITHS. Val PRINGLE. Norman BEATON in THE BLACK MIKADO "THE BEST MUSICAL OF 1975, AND PROBABLY 1976 AND 1977 AS WELL." S. Times. Ev. 8. Wed., Sat. 5.0. 8.15.

CHICHESTER. 0243 86333. Tonight at 7.00. July 3, 5 at 2.00. CYRANO DE BERGERAC "Jose Ferrer's Carnival Productions triumphs." D. Exp.: July 1, 2, 3, 4, 5 at 7.0 AN ENEMY OF THE PEOPLE. "Tremendous undiluted, overwhelming, uproarious fun." S. Times. "Worth travelling miles to see." D. Exp.

COMEDY. 930 2578. Evgs. 8.00, Sats. at 5.30 and 8.30. Matinees Thurs. 3.00. "The delectable HAYLEY MILLS." D.T. FRANCIS MATTHEWS. LEIGH DAWSON "Samuel Taylor's Joyous Comedy." E.N. A TOUCH OF SPRING "Effervescent direction by Alan Davis." F.T. "THE AUDIENCE were WEAK with LAUGHTER." F.T. "THIS FROLIC IS SUCH FUN." Ev. News.

CRITERION. 930 3216. Evgs. 8. Sats. 5.45 and 8.30. Mats. Thurs. at 3. GERALDINE McEWAN RODERICK COOK JAMIE ROSS "OH COWARD" "Coward has always had brilliant interpreters—but no-one more brilliant than these." Sun. Times.

DRURY LANE. 836 8108. Evenings 7.30. Matinees Wed. and Sat. 2.30. MICHAEL CRAWFORD in BILLY A NEW MUSICAL "MICHAEL CRAWFORD A WHOPPING WONDERFUL STAGE STAR." News of the World. "HE AND HIS SHOW ARE A TREAT." Sunday Express.

DUCHESS THEATRE. 836 8243. Evenings 8.00, Fri., Sat. 6.15. 9.00. ALIVE ON STAGE OH! CALCUTTA! OVER 2,000 PERFORMANCES "BREATHTAKINGLY BEAUTIFUL" S.Tel. "THE NUDITY IS STUNNING." D. Tel.

DUKE OF YORK'S. 836 5122. Evgs. 8.00. Sats. 5.00 and 8.30. Mats. Th. 3.00. BERYL REID, MALCOLM McDOWELL RONALD FRASER ENTERTAINING MR. SLOANE From the JOE ORTON Festival. "Superlatively well cast." D. Tel. "A beautiful evening." Fin. Times.

FORTUNE. 836 2238. Evenings at 8.00. Sats. 5.30 and 8.30. Th. 2.45 red. prices. SLEUTH "THE BEST THRILLER EVER" N.Y. Times. 6th GREAT YEAR.

GARRICK. 836 4601. Evs. 8.00 SHARP. Sat. 5.00 and 8.30. Red. price Wed. 3.00 ROBERT STEPHENS in MURDERER by ANTHONY SHAFFER "BRILLIANT AND EXCITING."

GLOBE THEATRE. 437 1592. BEST PLAY OF THE YEAR Evening Standard Drama Award RONALD PICKUP in THE NORMAN CONQUESTS by ALAN ACYKBOURN LIVING TOGETHER Tnt. & Wed 8.15. Sat. 5.30; R'ND & R'ND THE GARDEN Tomor. & Th. 8.15 Sat. 8.30. TABLE MANNERS Wed. 3.00. Fri. 8.15.

GREENWICH. 858 7755. Last week. Evenings 8.00 THE KNIGHT OF THE BURNING PESTLE.

HAYMARKET. 930 9832. Evgs. 7.45. Mat. Wed. 2.30. Sat. 4.30 and 8.00. JOHN CLEMENTS in Ronald Millar-C. P. Snow's THE CASE IN QUESTION "An excellent evening's entertainment." "An enthralling story." Harold Hobson. Sunday Times.

HER MAJESTY'S. 930 6606. Evgs. 8.00. Fri. and Sat. 6.00 and 8.40. HAIR

KING'S ROAD THEATRE. 352 7488. Mon. to Th. 9.00. Fri., Sat. 7.30. 9.30. THE ROCKY HORROR SHOW BEST MUSICAL OF THE YEAR Evening Standard Drama Award '73

LYRIC. 437 3686. Evenings 8.00. Fri. 8.30. Thurs., Sat. 5.00 and 8.30. JOHN, PAUL, GEORGE, RINGO . . . AND BERT Evening Standard Award—BEST MUSICAL OF THE YEAR Plays and Players Award—BEST MUSICAL OF THE YEAR

MAY FAIR. 629 3036. Fully air cond. Evenings 8.15. Sat. 5.30 and 8.40. BILLIE WHITELAW, BARBARA FERRIS and DINSDALE LANDEN in ALPHABETICAL ORDER "Michael Frayn's comedy is a delightful experience." Evening Standard.

MERMAID. 248 7656. Food 248 2835. Evening 8.15. Sat. 5.0 and 8.15. (Mat. Thur. 2.30. reduced prices) THE MERRY WIVES OF WINDSOR by Shakespeare Seats £2.50, £1.75, £1.25, 75p. or FULL DINNER, WINE AND BEST THEATRE SEAT FOR £4.95.

NEW LONDON. Drury Lane. 405 0072. Mon.-Thur. 8.0. Fri., Sat. 5.30. 8.30. THURBER "Hilarious." E. Standard. selected and played by William Windom. "An oasis of laughter." D. Mail. "I laughed more than at half a dozen funny little West End comedies." Guardian. Reduced Prices for 5.30 perf. Fri., Sat. STUDENTS and O.A.P. (All Perfs.).

OLD VIC. THE NATIONAL THEATRE. 928 7616. Tonight, Wed. and Fri. 7.30. Thurs. 2.15. Saturday 2.15 and 7.30: Bernard Shaw's HEARTBREAK HOUSE Tomorrow 7.30 and Thursday 8.00: HAPPY DAYS Some seats held for sale day of performance from 10 a.m.

OPEN AIR. Regent's Park. 01-486 2431. New Auditorium opening delayed. THE TAMING OF THE SHREW play Round House until July 5. A MIDSUMMER NIGHT'S DREAM opens here July 16.

OPEN SPACE. 580 4970 Temp. m'ship Ntly. 8.0 (except Mon.) MEASURE FOR MEASURE Shakespeare-Marowitz. Last 2 Weeks. Lunchtime 1.10: PRISONER AND ESCORT by Charles Wood. 10.15 p.m.: Thur., Fri., Sat Folk Singing MEIRA & The Left Hand Band.

PALACE. 437 6834. Mon.-Thurs. 8.00. Fri. and Sat. 6.00 and 8.40. JESUS CHRIST SUPERSTAR

PALLADIUM. 437 7373. Evenings 7.30. Mats. Wed. Sat. 2.45. TOMMY STEELE IN LONDON'S MOST BEAUTIFUL MUSICAL HANS ANDERSEN "SUMPTUOUS SPECTACLE. SPLENDID SONGS. IT'S WONDERFUL." Dly. Exp. SEATS AVAIL. THEATRE AND AGENTS.

PHOENIX THEATRE. 01-836 8611. Evenings 7.45. Sat. 5.45 and 8.45. GODSPELL "IS MAGNIFICENT." Sunday Times. LATE NIGHT PERF. Friday 10.45.

PICCADILLY. 437 4506. Evgs. at 8. Sats. 5.30 and 8.30. Matinees Wed. at 3. JIMMY JEWEL, ALFRED MARKS in NEIL SIMON'S THE SUNSHINE BOYS "Audience rocking in their chairs"—D. Express. "A laugh a minute" D. Tel. "Continuous laughter." E. Stan. LAST 2 WEEKS

PICCADILLY. 437 4506. Special Limited Season. Previews July 14 & 15 at 8.00. Opens July 16 at 7.00. HENRY FONDA as CLARENCE DARROW A one man play about the most famous Trial Lawyer of the 20th Century.

PRINCE OF WALES. 930 8681. Evenings 8.00. Mats. Wed., Sat. 3.00. JAMES STEWART in HARVEY "Heartwarming Triumph." Ev. News. LIMITED SEASON ONLY.

QUEEN'S. 01-734 1166. Evenings 8.0. Mat. Thurs. 3.00. Sat. 5.30 and 8.30. VINCENT PRICE CORAL BROWNE CHARLES GRAY in ARDELE "A superb revival of Jean Anouilh's Comedy." E. News. "A handsome and finely cast production." Dly. Tel.

RAYMOND REVUEBAR THEATRE 734 1593. At 7 p.m., 9 p.m., 11 p.m. PAUL RAYMOND presents THE FESTIVAL OF EROTICA '75

REGENT. 323 2707. Evenings 8.30. Fri. and Sat. at 7.00 and 9.15. 11th MONTH OF SENSATIONAL STAGE SHOW OF THE 70s LET MY PEOPLE COME—AN ADULT MUSICAL "Never a dull moment." Evening News 100 tickets held for sale at door.

ROUND HOUSE. 267 2564. Evgs. Mon.-Fri. at 8. Sats. 5. 8.30. Mats. Wed. and Thurs. at 2.30. Last week. Jeremy Irons Zoe Wanamaker "Both excellently attuned performances." Sun. Telegraph in THE TAMING OF THE SHREW "SPIRITED EVENING OF MASQUERADING COMEDY." Daily Tel.

ROYAL COURT. 730 1745. Air cond. JOE ORTON FESTIVAL Evgs. 8. Sats. 5 and 8.30. Last week. JILL BENNETT, PHILIP STONE LOOT Directed by Albert Finney

SAVOY. 01-836 8888. Evenings 8.00. Sat. 5.00. and 8.15. "ALASTAIR SIM at his best." D. Tel. RON MOODY DANDY NICHOLS THE CLANDESTINE MARRIAGE Directed by IAN McKELLEN Last week—must end Saturday.

SHAFTESBURY. 836 4596. Mon.-Fri. 8.00 Mat. Friday 5.00 (Reduced 75p-£1.50) Sat. 5.30 and 8.30. WEST SIDE STORY "Bursting to life with undiminished theatrical excitement." S. Tel. "A definite winner. I strongly recommend it." F.T. "Miracle." Guardian. "Brilliant." S. Tel.

SHAW. 388 1394. Last week. Evgs. 7.30. Mat. Tues., Fri. 3.00. SUSAN HAMPSHIRE in AS YOU LIKE IT

ST. MARTIN'S. 836 1443. Evenings 8.00. Mats. Tues. 2.45. Sats. 5.00 and 8.00. Agatha Christie's THE MOUSETRAP World's longest-ever run. 23rd YEAR.

STRAND. 836 2660. Evenings 8.00. Mats. Thurs. 3.00. Sat. 5.30 and 8.30. DORIS HARE, LEO FRANKLYN RICHARD CALDICOTT, ANDREW SACHS NO SEX PLEASE, WE'RE BRITISH Directed by Allan Davis. LONDON'S LONGEST LAUGHTER HIT.

TALK OF THE TOWN. 01-734 5051. From 8.15. Dining and Dancing. At 9.30 New Revue SWEET TEMPTATION and at 11 p.m. CLIFF RICHARD

VAUDEVILLE. 836 9988. Fully air cond. Ev. 8.00. Mat. Tu. 3.00. Sat. 5.30. 8.40. MILLICENT MARTIN AMANDA BARRIE in ALAN AYCKBOURN'S ABSURD PERSON SINGULAR Best Comedy of Year E. Std. Award '73.

VICTORIA PALACE. 834 1317. (No perfs. Monday.) Tues., Fri., 8.00. Wed., Thurs., Sat. 6.00 and 8.45. MAX BYGRAVES in SWINGALONGAMAX New Song and Laughter Spectacular. with Rogers and Starr Bobby Crush. Denise Keene and Happy and Full Co.

WHITEHALL. 930 6692-7765. Evgs. 8.30. Wed. and Sat. 6.15 and 8.45. PAUL RAYMOND presents THE CONFESSIONS OF A SEX STAR SNATCH 69 FANTASTIC HILARIOUS EROTIC ENTERTAINMENT

WIMBLEDON. 01-946 3211. ACTORS COMPANY SEASON Mon.-Fri. 7.30. Sats. 5 & 8.15. THE LAST ROMANTIC "Intelligent, Funny & Sympathetic." S.Tm

WINDMILL THEATRE. 437 6312. PAUL RAYMOND presents LET'S GET LAID featuring JOHN INMAN "ARE YOU BEING SERVED" Twice nightly at 7.00 and 9.00.

WYNDHAM'S. 836 3028. Evenings at 8. Sat. 5.0 and 8.30. Mats. Wed. 3.00. "PAUL SCOFIELD as Prospero SHOULD NOT BE MISSED ON ANY ACCOUNT." B. A. YOUNG—Financial Times. THE TEMPEST Last 2 weeks. Must close July 12.

WYNDHAM'S. 836 3028. From July 15 JOHN GIELGUD RALPH RICHARDSON National Theatre Production HAROLD PINTER'S NO MAN'S LAND Directed by PETER HALL. "Great acting at its highest pitch." Ev. News. LIMITED SEASON. BOOK NOW!

YOUNG VIC (by Old Vic). 928 6363. To-day at 8 p.m. ASHES.

CINEMAS

ABC 1 and 2, Shaftesbury Ave. 836 8861. Sep. perfs. All seats bkble. 1. THE GODFATHER PART II (X) Wk. and Sun. 2.45, 8.00. 2. MURDER ON THE ORIENT EXPRESS (A) Wk. and Sun. 2.30, 5.30, 8.30.

CASINO. 437 6877. EARTHQUAKE (A) You'll FEEL it as well as see it in SENSURROUND. Sep. Perfs. daily at 2.30, 5.30 and 8.30. Seats bookable.

CURZON, Curzon Street, W.1. 499 3737. ALICE DOESN'T LIVE HERE ANYMORE (AA). Progs. at 1.55 (not Sun.) 4.00. 6.15. 8.30. Late Show Sat. 11 p.m.

EMPIRE, Leicester Square. THE DAY OF THE LOCUST (X) Progs. daily 2.00. 5.10. 8.15. Sep. perfs. All seats bookable. No phone bookings.

LEICESTER SQUARE THEATRE. 930 5252 See! Hear! Feel! TOMMY (AA). The film event of the Year. Sep. perfs. 1.20. 4.30. 8.00. Sun. 4.30. 8.00. Late show Fri. and Sat. 11.15. All seats bookable.

ODEON HAYMARKET (930 2738/2771) SHAMPOO (X). Sep. perfs. Wk. 1.15. 4.45. 8.15. Shampoo at 1.55. 5.30. 8.55. All seats bookable.

ODEON MARBLE ARCH (723 2011/2). Streisand and Caan FUNNY LADY (A). Sep. perfs. Wk. 2.45. 8.00. All seats bookable.

ODEON LEICESTER SQUARE (930 6111) BRANNIGAN (A). Cont. progs. Wk. 1.10. 3.05. 5.35. 8.10.

ODEON ST. MARTINS LANE (836 0691/1811). (Fully air cond.). Lelouch's AND NOW MY LOVE (X). Sep. perfs. Wk. 1.00. 4.30. 8.00. All seats bookable.

PLAZA 1, Lower Regent Street. All seats bookable. THE GODFATHER PART II (X). Daily including Sundays. Progs. 2.45. 7.30.

PRINCE CHARLES. Leic. Sq. 437 8181. 9th Sensational Month !! EMMANUELLE (X) Sep. Perfs. Daily (inc. Sun.) 2.45. 6.15. 9.00. Late Show 11.45 Fri. & Sat. Seats Bookable. Licensed Bar.

SCENE 2, Leic. Sq. (Wardour St.). 439 4470. Cont. Perfs. Dly. from 12.30. Late Show Fri. and Sat. 12.05 YOUNG FRANKENSTEIN (AA). Progs. 12.30. 2.45. 5.05. 7.25. 9.45. Late Show Fri. and Sat 12.05.

SCENE 3, Leic. Sq. (Wardour St.) 439 4470. THE TOWERING INFERNO (A). Sep. Perfs. Daily 2.00. 5.20. 8.40. Late Show Fri. & Sat. 11.45. Seats Bookable—All perfs.

SCENE 4, Leic. Sq. (Wardour St.) 439 4470. 2nd Year. The Film Everybody's Talking About. THE EXORCIST (X). Directed by William Friedkin. Sep. Perfs. Dly. 12.30. 3.00. 6.15. 9.00. Late Show Fri. and Sat. 11.30. Box Office Open Dly. 10-8. Sun. 12-8. Seats bkble. all perfs.

WARNER WEST END Leicester Square. Tel. 439 0791. 1. Ellen Burstyn, Kris Kristofferson ALICE DOESN'T LIVE HERE ANYMORE (AA). Cont. progs. Wk. 1.20. 3.35. 5.50. 8.10. 2. Robert Mitchum THE YAKUZA (AA). Cont. progs. Wk. 1.30. 3.45. 6.00. 8.20. 3. Steve McQueen, Paul Newman THE TOWERING INFERNO (A). Sep. perfs. 1.25. 4.40. 7.55. All seats bookable.

ART GALLERIES

AGNEW GALLERY, 43, Old Bond Street, W.1. 01-629 6176. MASTER PAINTINGS—An exhibition of Recent Acquisitions. Until 4th July. Mon.-Fri. 9.30-5.30 Thurs. 9.30-7.00.

ANTHROPOS' GALLERY. Specialists in Ethnic Arts. 7, Monmouth Street, Upper St. Martin's Lane, WC2. 01-836 0162. Europe's finest collection of New Guinea, Papuan and Eskimo Art. A new exhibition. Mon.-Wed. 10-8. Thurs.-Sat. 10-12 midnight. Sun. 1-7.

LORD METHUEN (1886-1974). Memorial Exhibition. Fieldbourne Galleries, 63, Queen's Grove, N.W.8. 01-586 3600.

ROYAL ACADEMY SUMMER EXHIBITION. Contemporary paintings, sculptures, etc. Until 27 July. Wkdys. 10-6. Suns. 2-6. Adm. 65p (Mondays 30p) and the PRIVATE ROOMS AND COLLECTED TREASURES. Until 21st Oct. Wkdys. 10-6 (closed Tuesdays). Sun. 2-6. Adm. 50p. Students and pensioners half-price.

MALL GALLERIES. The Mall, S.W.1. SUZANNE LUCAS RMS SWA. Paintings and Miniatures. Mon.-Fri. 10-5. Sats. 10-1. Until July 9. Adm. Free.

EXHIBITIONS

LOOT. Ex of 2,000 pieces modern silver-jewellery all under £50. Goldsmiths Hall, Foster Lane, EC2. 24 June until 12 July 10-5. Closed Sun.

CLUBS

EVE, 189 Regent St., 734 0557. A la carte or All-in Menu. Spectacular Floor shows plus the rhythm of Los Vera Cruz and music of Johnny Hawksworth and Friends.

GARGOYLE, 69, Dean Street, London W.1. STRIPTEASE FLOORSHOW SEX ALIVE '75 Show at midnight and 1 a.m. Hostesses. Monday-Friday. Closed Sats. 437 6455.

THE GASLIGHT—Your discreet venue for tonight's prestige entertaining. Friendly danceable girls, superb floor show every 20 minutes. No membership required for out of town or overseas visitors. Entrance £3.00. Tel: 930 1648. 4 Duke of York St., SW1.

GROCERY PRICES INDEX . . .

Fresh food scarcity forces 5% rise

BY ELINOR GOODMAN

THE FINANCIAL TIMES Grocery Prices Index showed its biggest percentage rise in June since October 1973 despite a very stable situation in most processed foods. The Index went up by 5.2 per cent. to stand 30 per cent. above last June's level at 193.02.

The increase was almost entirely due to higher prices for fresh foods with the fruit and vegetable bill alone standing 40 per cent. above its May total. As in May, the biggest contributor to this rise was new potatoes which were costing up to three times as much as the old ones. But whereas last month about *half the shoppers were still able* to find old potatoes in the shops, in June all the shoppers were having to buy expensive new potatoes at an average of 12p a pound.

A prior combination of an exceptionally wet spring and the recent hot dry spell has also pushed other vegetable prices up to abnormally high levels for this time of year, thus exaggerating the usual seasonal summer *trend in the Index. Even traditional* summer vegetables were still very expensive last week, when the shopping was done, with lettuces selling at around 12p each and tomatoes costing at least 25p a pound in most shops. Winter vegetables were also showing big increases with cauliflowers up around 7p at 25p and carrots selling at about 20p a pound. Several varieties of fruit were also costing more than last month with bananas up around 6p a pound.

The meat category also showed a small increase during June, largely as a result of more expensive pork products with chops up around 3p a pound and bacon at least 2p.

In contrast to the depressing picture of most fresh food prices, processed foods generally stayed *at a stable level in June and, in* some categories, were actually lower than last month. The bill for sugar and soft drinks, for example, showed a small drop as a result of special offers on squashes and coffee. Both the preserves and canned food categories also showed small falls, while the bill for flour-based products was also fractionally lower than in May when bread went up 1p a loaf.

The biggest drop this month was in the dairy category where *the total bill fell by over 4 per* cent. The main reason for this was a big fall in the price of eggs, reflecting the impact of cheap French imports. Standard eggs were costing at least 3p a dozen less than in May while large eggs were down about 2p. Margarine was also cheaper in most shops at around 1p a pound less than last month.

Though this month's big rise in the FT Grocery Prices Index still has to be reflected in the Government figures for June, there is *some small consolation in the* stable price situation on non-seasonal foods. It is to be hoped that seasonal factors will start to bring prices down in July and that next month's Index will show a small fall.

FINANCIAL TIMES SHOPPING BASKET

	June £ p	May £ p
DAIRY PRODUCE	85.51	89.55
SUGAR, TEA, COFFEE & SOFT DRINKS	48.15	48.65
BREAD, FLOUR, CEREALS, ETC.	63.51	63.59
PRESERVES & DRY GROCERIES	20.28	20.67
SAUCES & PICKLES	10.53	9.92
CANNED FOODS	35.01	35.49
FROZEN FOODS	28.37	28.25
MEAT, BACON, ETC. (FRESH)	132.51	130.55
FRUIT & VEGETABLES	104.63	73.85
NON-FOODS	41.92	41.55
TOTAL	570.47	542.07

INDEX

1971: Feb. 100; Mar. 101.09; April 102.73; May 105.75; June 108.00; July 107.24; Aug. 105.40; Sept. 105.26; Oct. 104.35; Nov. 105.48; Dec. 108.26.

1972: Jan. 109.18; Feb. 109.10; Mar. 109.24; April 108.04; May 109.36; June 115.97; July 111.97; Aug. 113.40; Sept. 112.14; Oct. 113.15; Nov. 11: 114.48; Nov. 18: 114.49; Nov. 25: 114.72; Dec. 2: 114.72; Dec. 9: 114.75; Dec. 16: 115.77.

1973: Jan. 117.54; Feb. 119.25; Mar. 120.53; April 123.80; May 125.57; June 128.81; July 127.64; Aug. 126.59: Sept. 129.39; Oct. 138.83; Nov. 135.83; Dec. 138.26.

1974: Jan. 141.41; Feb. 141.52; Mar. 142.66; April 8, 143.23; April 29, 142.64; May 145.17; June 147.97; July 146.22; Aug. 145.25; Sept. 147.6; Oct. 150.5; Nov. 156.39; Dec. 159.15.

1975: Jan. 162.84; Feb. 167.77; Mar. 173.50; April 178.39; May 183.41; June 193.02.

The index is based on the prices paid by 11 shoppers around the country. The shopping, which was done in supermarkets and independent grocers, was carried out last Tuesday.

EQUALITY

Bad news for the ambitious

BY DOINA THOMAS

WHATEVER THE legal progress towards equality of opportunity and pay, however great the publicity on the rights of women as individuals, the reality of women's situation as employees will be most strongly *affected by those directly* responsible for hiring them. And a recent survey shows that they have an instinctive tendency to regard women applicants as inferior.

It is International Women's Year (the UN said so) and a congress of women is meeting in Mexico to mark the fact. More parochially, back home in Britain, the Equal Pay Act comes into full force by the end of this December: and it is hoped that the complementary Sex Discrimination Bill will become an Act in the course of Parliament's autumn session.

Equal opportunities for women may be on their way but there is still a reservoir of prejudice against them among employers.

Opportunity

Earlier this year the Department of Employment completed a four book study on women and employment and one of the most important points for management to surface from these studies comes from the Manpower paper Women and Work, No. 11. It states: "*More women are now married, they marry younger and they live longer. Childbearing is normally compressed into a short period relatively early in life. Many women therefore now have the opportunity consistent with their maternal responsibilities of working continuously for twenty or thirty years.*"

Nearly two-fifth's of all U.K. employees are female, the two facts together provide employers with a pool of labour that cannot be ignored. Yet the recent study by the social survey division of the Office of Population Censuses and Surveys—Management attitudes and practices towards women at work—provides a sad commentary on the present situation.

The survey concerned itself mostly with the attitudes of those managers who either created or implemented company policies on equality for women, be it of opportunity, pay or conditions. Audrey Hunt, who was responsible for the survey, defined the two categories of personnel manager as either "formulators" or "implementers," and she managed to persuade 212 of the first and 222 of the second to answer her questions. Slightly more than half the establishments originally approached actually agreed to go right through the survey experience, interviews and all.

A first point to note is that only 2 per cent. of the "formulators" and 11.5 per cent. of the "implementers" were women (contrast that with the fact that nearly two-fifths of all employees are women). This should rather put paid to the myth that "personnel" work is a "natural" haven for women with executive ambitions.

But one reason for this myth emerges from the survey: nearly two-thirds of women implementers (but only 8.2 per cent. of men) had received some form of training in office jobs. In other words it is quite likely that many of the women in administrative personnel jobs had graduated from behind their typewriters. This supposition can be given further weight by the fact that only 6.2 per cent. of women implementers had qualifications of degree standards. Both men and women, implementers and formulators, however, received a high degree of on the job training.

The really important question in the whole survey, however, is that of the attitudes of these managers who create or implement company policy with regard to equality for women. With a mild degree of cunning Audrey Hunt's survey set out to establish these attitudes in two ways: first by asking individuals what their own views were: then what they thought the views of their colleagues might be. "When asked a direct question informants may be reluctant to admit to an opinion which they believe to be unpopular, but will ascribe that opinion to people similar to themselves if asked a question about such people," the survey blandly comments.

The difference between the two viewpoints is illustrated in the responses to questions on equal pay. When answering for themselves three-quarters of the formulators and four-fifths of implementers were in favour, though some (mostly in manufacturing industry) had serious reservations, mostly about its effect on women's employment prospects.

However, when speaking on behalf of their male colleagues, the formulators indicated that only 34 per cent. were in favour of equal pay and 11.6 per cent. were said to be opposed. "It appears likely, therefore, that the attitude of management towards equal pay is less favourable than might be assumed from the expressed opinions of formulators and implementers," comments Audry Hunt's survey.

The reason why so few women rise to senior management positions, or take up skilled work, according to both formulators and implementers lies largely with women themselves, they were not seen as career conscious, the break in many women's working lives was regarded as a handicap, and some blamed the traditional attitudes of society. Less than half the formulators and implementers thought it would be a good thing if there were more women in senior posts which bodes no good for managerially ambitious women. All in all, it was thought that the Government was the best agent for change in these matters.

Depressing

But about two-thirds thought *it a good thing if more women* were trained for more skilled work. Most employers have more experience of women on the shop floor than in management. However, more encouragingly, a very high percentage of the few women implementers thought it would be good to have women in more senior positions which counters the usual argument that not only will men not work for women but nor will women.

The most depressing response in the survey—from the point of view of those in favour of equality of opportunity for women—was that of all the attributes considered desirable in employees a considerably greater number of respondents thought they were more likely to be found in men than thought women would possess them. If potential employees had identical attributes, the majority would only prefer women for catering or domestic work. *Plus ça change. . . .*

Management Attitudes and practices towards women at work, HMSO, £5.

What it costs to feed the workers

BY EVE MACPHERSON

EMPLOYEE CATERING subsidies are higher this year than ever before: four times greater than ten years ago, according to the 1975 catering survey just published by the Industrial Society.* Since its last report, the loss on food and labour has increased by more than £1.50 per person on site, and in London the average annual subsidy is £34 per person employed.

The Society reports that meal sales have increased by 6 per cent., and that more than half the labour force of the companies represented in the survey buy a meal or refreshments at main meal breaks. This despite prices charged for meals increasing by up to 20 per cent.

However, the overall picture of staff catering subsidies in the U.K. is less than satisfactory. Throughout the country as a whole, the average subsidy is running at around £24 per year per employee, and since in general only between 30 and 40 per cent. of employees use the staff canteen at main meal breaks, the amount of the subsidy *per employee user* is much higher. In many cases it does not even cover the cost of the food.

Trevor Humphries

Yet most experts would agree that with better management of the canteen, companies should be able to charge their staff a reasonable price and still recover not only their food costs, but also a proportion of their catering overheads. According to Mr. Harvey Herrmann, a catering consultant, "Companies should be looking for 25 per cent. gross profit on the selling price of the food, to go some way towards covering catering staff costs."

Policies

Catering policies themselves form a section of the Industrial Society's 1975 Survey. The majority of firms represented had a formal policy—but 20 per cent. of those firms did not appear to measure success or failure, and only a minority of those responding to this part of the questionnaire achieved their financial aim.

No one would deny that companies should be looking to reduce their catering subsidies in 1976, even though the total loss on food and labour is not high when quoted against a firm's salary/wages bill—somewhere between .88 and 1.50 per cent. Even that percentage, however, is not as low as it first appears when calculated per head given the small numbers using meal facilities. The question remains: do you have to subsidise at all?

As a first step, management needs to examine the economics of running the firm's canteen. Specifically, it should determine:

- The number of employees using the staff restaurant as a proportion of total staff.
- The pattern of price levels and related food sales, with possible comparisons against pay increases, over the past year.
- The same for the cost price levels of food.
- The existing true subsidy total, including an allowance for utilisation of premises, non-consumables such as maintenance, gas and electricity, staff overalls, etc. This true subsidy total can then be broken down per employee user.

"It is vital," says Mr. Herrmann, "to get the views of the catering manager or contractor on the subsidy and ways in which it might be reduced. It is also important to assess the feelings of employees, through structured questionnaires or interviews: For example, if only a third of the staff use the canteen, what is deterring the rest? What are shop stewards' and staff attitudes to price and quality levels? How would they react to subsidies being phased out altogether in return for wage deals, for example?"

The local

"It would be an interesting experiment," is the view of Harvey Herrmann. "If you could give each man, say, £50 a year rise and charge the actual price of the canteen meals you've been subsidising, people might start bringing sandwiches, or going to the local, and the company could do away with canteen facilities altogether. It's doubtful, though, that the unions would wear it while subsidised meals are tied up with welfare, recruitment and productivity."

"Subsidies won't disappear in the foreseeable future," confirms Mrs. Margaret McArdle of the Industrial Society. "People have been looking at this for a long time now, but there are too many historical factors involved. Since the war people have expected a subsidised meal at work, and you can't change the habits of a working lifetime overnight."

**Catering Prices, costs, subsidies and digest of vending practices 1974-75. No. 192. The Industrial Society, Robert Hyde House, 48 Bryanston Square, London W1H 1BQ. Price £4.00.*

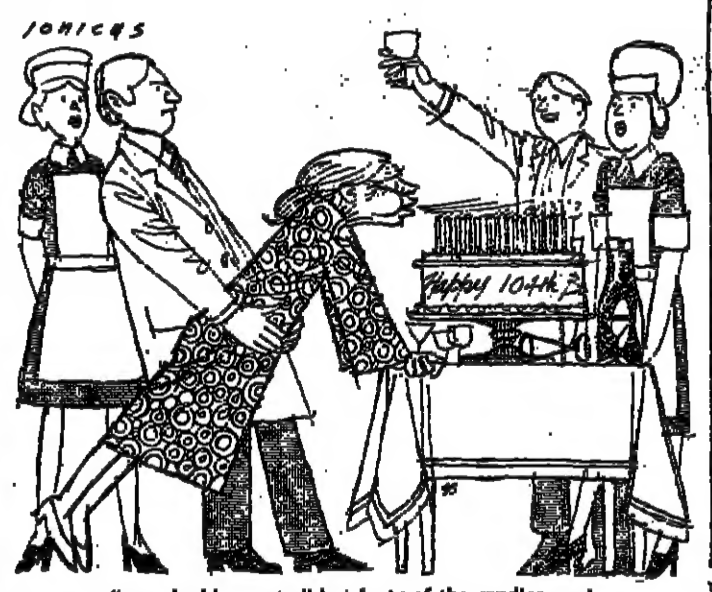
Woman's advantage

BY DR. DAVID CARRICK

AT THE RISK of being accused of male-chauvinism, I claim that there is a difference between males and females—a belief that is enthusiastically shared by normal people of either sex.

But I do not intend to imply that one sex is better in every way than the other, rather that certain qualities and strengths are greater in normal individuals of one sex than in their counterparts, these being off-set or balanced by different virtues or gifts possessed by the other gender.

When is comes to survival, however, women certainly have an advantage as any surgeon will affirm. Apart from a tendency to live longer under ordinary circumstances, the female displays a far greater ability to settle down for a long innings in hospital or an old peoples' home than can be expected of the elderly male.



"... she blew out all but forty of the candles ..."

Old girls

I recall the geriatric wards of one hospital which illustrated this phenomenon vividly. The male ward had a high turnover. Old men would come in and, after a few weeks or months, would never be bothered with headaches again. To find a vacancy in the female ward, however, was a very different matter. After some initial grousing (which continued in a different key) the old girls accepted the change and dug themselves in. One woman in particular remains forever in my memory. She had been admitted when she was 60 years old and was not expected to live for more than a week or two. Evidently she was unaware of this because I had the pleasure of attending her 104th birthday—and she managed to blow out all but 40 of the candles that blazed from the cake her 85 year old youngest daughter had baked.

Through all stages of life the female displays this superiority over the male. Having excluded such diseases as are in the words of old textbooks, "peculiar to women," and which can be off-set by those that must be confined to males, statistics show the picture clearly. From fatal heart disorders to malignancies of the gastro-intestinal tract, the incidence of killer diseases that strike long before the allotted span is almost invariably lower in females than in the truly weaker sex.

The incidence of non-fatal disorders from puberty onwards is reversed. Attendance at general practioners' surgeries is much higher by females than males and the same bias is seen in the field of occupational medicine.

A high proportion of these disorders is made up of the minor mental maladies—the psycho-neurotic conditions such as mild anxiety and depressive states. Both are exaggerations of the norm and it is very tempting to believe that they are manifestations of temporary hormonal disturbances triggered off by stress and then, if the stress continues, feeding on it and growing fat unless medical help is given and the external cause eradicated.

Traits

Meanwhile, there are certain essentially feminine traits or behavioural patterns which can be ignored only at their peril by males obtuse or obstinate enough to do so.

Women like shops; men do not. A woman may be quite happy inspecting every article in every department of an emporium; men dash in and buy that which they came to buy. Women seem to like spending hours in hair stylists; most men fidget after a few minutes in the barber's chair. Women, being more fastidious about their appearance, require decently lit and appointed cloakroom facilities; men are sadly lacking in such decent desires.

I cannot explain these curious differences but merely state that they are facts that should be taken seriously by managements that nowadays employ an enormous and ever-increasing number of females. Regarding the first two matters, the location of the office is a key factor. If the business is in, say, the City of London, then many females will find it necessary to use their lunch-hour to travel to the West End as local facilities are insufficient for their purposes. Not only is this expensive, it is undesirable from the health angle that a period allotted for rest and refuelling should be devoted to a hectic energy-devouring expedition. And if one considers only the cold economic side, the work-output of employees with a low blood-sugar level must suffer and be aggravated by reduced morale.

A simple remedy is for departmental heads to allow extended lunch-hours on regular occasions. This will cost nothing and gain much in psychological and physical benefit.

As to the third matter, again no great expense is involved in improving cloakroom facilities and it is in the interest of the entire enterprise that the women themselves should be asked about their reasonable requirements. A well designed "powder-room" does not have to cost much more than a primitive "usual facility" and may boost the morale of this essential part of the business machinery which is so often treated with an ignominy that is as ignoble as it is ignorant.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ENERGY

Solar cell yields high power

POWER-FROM-the-sun projects could receive a marked fillip as the result of work in progress at Varian Associates in California.

Using a gallium arsenide cell about ¾ inch in diameter, as much as 10 watts of power have been extracted in laboratory conditions. The development team asserts that this is 1,000 times more than is at present obtainable from the same surface area of other thermo-electric materials used in power from sun studies.

Cell efficiency is 20 per cent., also a significant improvement, and it has proved possible to keep the cell surface temperature down to around 54 degrees C through appropriate heat-sinking, despite the fact that a reflector is used to concentrate sunlight some 300 times on to the surface of the cell.

Optimum conditions should give a concentration factor of around 1,000—hence the 10 watts. Early experiments have provided about 5½ watts, and with reduced heat sinking and at a surface temperature of as much as 200 degrees, 4½ watts. The material is not significantly heat-sensitive.

A first objective of the development team is to construct an array of cells to give a steady output of 1 kW. The idea is to rotate the array to follow the sun so that as much energy as possible is being extracted at any time—capturing 40 per cent. more sunlight per day than fixed panels.

Shadows

One interesting fact is that the Varian cell will provide power even when there are well defined shadows.

There are a number of obstacles in the way to developing effective banks of cells, one being the simple mechanical one of designing mirrors and cells into a compact grouping which will be easily rotatable. Another is the cost of gallium-based materials compared with the silicon more widely used in solar cell research.

It is unlikely that gallium prices will decline. On the contrary, any indication that an increase in demand is on the way could well put up prices sharply, as happened with indium when Philips disclosed that it was using the material as a coating in its solar panel experiments.

So the high-power yield and efficiency of gallium arsenide has to be balanced against the undoubtedly more complex equipment that has to be set up to make the best use of this.

Meanwhile, more research centres are taking up the challenge of the GaAs cell, including the Philips associate in France.

Varian Associates, 611, Hansen Way, Palo Alto, California 94303, U.S. Ronald L. Bell is the director of the Solid State Laboratory and team members include Lawrence James and Ronald Moon.

● ELECTRONICS

Reliable plastics transistor

ACCELERATED LIFE tests carried out by Mullard show, states the company, that in most applications designers can use the BCX31 to BCX37 plastics TO-5 transistors to replace more expensive metal types without any loss of performance or reliability.

Results of the Mullard tests show that under normal operating conditions with the junction temperature 100 deg. C., the failure rate will be only 0.01 per cent. per 1,000 hrs. The life expectancy is described as "beyond meaningful measurement," statistical evidence giving a figure of 100 years.

Prolonged life expectancy has been achieved by using constructional techniques employing a uni-metallic bonding technique, a carefully controlled chip-to-header bond, and a relatively contaminant-free high-grade plastics encapsulant. More from Mullard House, Torrington Place, London WC1 (01-580 6633).

● HANDLING

Makes work less tedious

SOME YEARS ago the Swedish company Electrolux, AB, well known for domestic appliances, decided to take some of the more tedious and repetitive handling chores out of its production lines by developing a mechanical handling robot.

The final device was so successful in its own works that the company decided to market the robot, and a number are in service world wide. It is now being marketed for the first time in the U.K. by George Kuikka, Hill Farm Avenue, Leavesden, Watford, WD2 7BL (Garston 79377), where there is a demonstration unit.

Known as the MHU Senior (there is a less sophisticated Junior version), the device is of modular construction, and pneumatically actuated. It is built up from standard modules: an arm with programmable positioning and attachment for grippers with air and electric power supplies: a rotating unit which can travel continuously through 360 deg. between programmable stops; and a column for vertical travel programmable positioning.

Controls are grouped in a free-standing cabinet. An electro-mechanical system with 30 or 60 steps is standard. Programming is performed on a panel linked to the cabinet.

The motion pattern of the robot, the signals to and from the peripherals as well as acknowledgments, time delay relays, etc., are externally temporarily connected to the programming panel. The complete work cycle can be tested with the programming panel connected, so that modifications can be made if required. Once the work cycle is functioning satisfactorily, the panel connections are transferred to a plug-in program connector to be plugged into the control cabinet. There is a version for random program selection.

Up to the gripper plate the machine is standard—from there a standard gripper, mechanically, magnetically, or pneumatically actuated, may be attached, but usually a tailor-made device is required.

Most applications are where workpieces have to be transferred through a number of operations in a production line, when the robot is often able to take the component to and from several machining stations. Weights up to 15 kg. can be handled to a positioning accuracy of ± 0.1mm.

Electrolux says that in its own factories and at overseas customers the robot has been more than acceptable to the workforce, since it carries out the fatiguing, tedious, dirty and dangerous jobs under the supervision of the worker, and often improves his piece rate pay. Typical price for a robot is about £11,500.

George Kuikka imports a range of specialised precision tools and metrology equipment, including the Wera Profilator form generating machine, made by Hermann Werner, Wuppertal, West Germany. This machine will produce splines, gears, serrations, polygons and other forms in a fraction of the time required for conventional processes such as hobbing and milling. All functions are hydraulically controlled.

● PROCESSES

Microwave cooking of meat cubes

FIRST PRODUCTION models of a microwave cooking equipment able to turn out 1,000 lbs of meat cubes per hour are becoming available from ABR Food Machinery Company, Denbigh Road, Milton Keynes MK1 1DQ (09082 76421). It can be used to supply two pie-making machines producing a theoretical maximum of 15,000 meat pies/hr.

The meat, fat, etc., are first reduced to a slurry (to which vegetable protein or other ingredients can be added) in an ordinary sausage maker's mincer or bowlcutter. The product is fed direct from a standard continuous vacuum filler into square section tubes which pass between two microwave guides. The temperature rises almost instantaneously and the emerging material retains the cross section of the tube and can be cut into cubes by a knife.

The advantage claimed is that a solid cube of meat is produced in which any unpalatable constituents are rendered palatable. The alternative for pies is meat not cooked long enough to soften sinews and gristle, retaining the "body," or thorough cooking of normal meat by established methods giving a product inclined to disintegrate.

The maker states that end products of the microwave process can withstand freezing, boiling, baking and retorting temperatures without breaking up. Cooking losses are claimed to be under five per cent., there being little or no time for moisture to escape. These savings alone, states ABR, enable the capital cost of the installation (£20,000 to £30,000) to be recovered "in a matter of months."

Fish sticks can also be dealt with by the equipment: the rapid heating prevents the bacteria from passing through the spore stage and the resultant bacteria count is claimed to be very low.

● WOODWORKING

Versatile profile cutter

BY CHANGING the position of three high-speed steel blades in relation to each other, 64 different moulding profiles can be produced in hard and soft woods with the ProfilMaster spindle moulder cutter block introduced by Marlow Zenith Cutters, PO Box 32, Marlow, Bucks., SL7 3HD (06284 3247).

The tool consists of an aluminium alloy body with three slots into which rotatable blades of different profiles are inserted and secured by Allan screws.

Each blade can be rotated and locked into one of four marked positions and each slot is marked with three positions—by varying the combination of these positions 64 profiles can be achieved at a single cutting depth.

Varying the depth of cut gives more shapes. The cutter body is bored for a 40mm diameter spindle, but bushes are available enabling the cutter to be mounted on other sizes.

In prototype work, slight changes in moulding design can be achieved using the same cutter block without costly regrinding of blade profiles, and in mass production economies in tool stocking are provided since one cutter will produce a wide range of mouldings, says the company.

● COMPUTERS

Key to disc has boosted software

EXTENSION OF the original data entry conception of key-to-disc systems is possible with the SERIES 5000 introduced by Computer Machinery Company which sees applications in data management, file management and data communications.

From two to 16 keystations are catered for by the model 5100, while up to 32 can be connected to the 5200. All the systems have an optional supervisory video which displays 24 lines of 80 characters. A similar VDU is available as a remote keystation on the 5200 up to a maximum of 16 per system. High disc capacities result from the use of 200 tracks per inch. There is also a range of line printers available up to 1,000 lines per minute, and two card readers.

The 5200 is claimed to have versatile software "superior to most key to disc systems." The more significant features include foreground and background validation, auto-insert, screen literals, a file management package and a user language for background processing.

Once a file has been accessed the operator can page backwards and forwards one record at a time. CMC is at Maxted Close, Hemel Hempstead, Herts. (0442 61266).

● TRANSPORT

For hauling molten iron

NORMANBY PARK works of the British Steel Corporation has taken delivery of the first in a new series of industrial locomotives, specially designed for steel works operation by the Hunslet Engine, Co., Leeds LS10 1BT (0532 3226).

This 72 tonne shunter has 6 inch sideframes and 4 inch thick footplates for strength and to provide traction weight. Powered by a Rolls-Royce DV8T diesel engine developing 562 hp. transmission is diesel electric through an alternator and electric wheel motors (0-6-0 wheel arrangement). Maximum working speed is 15 mph.

Used to haul torpedo cars of molten iron from the blast furnace to the steel making plant within the works, the shunters are fitted with special filters on the air inlet and twin line braking systems, so that the locomotives can be occasionally used to handle main line traffic brought into the works.

● INSTRUMENTS

Calibrates magnets

NEW AUTOMATIC setting and calibrating equipment has been developed and introduced by Hirst Electric Industries, Crawley, Sussex, for work on permanent magnets made from rare earth materials in particular, samarium cobalt alloy (Sa Co5).

A typical application for the equipment is when a magnet stack made up from a number of individual magnet rings has to have a controlled and varied field distribution throughout its length. After computing the field values required in each magnet, the operator sets the Hirst MSC2000 to these values.

Individual magnets which previously have been magnetically saturated and then loaded into a special fixture are subjected to a series of uni-directional demagnetising pulses of increasing amplitude. When the pre-set level of magnetic flux is sensed, the equipment switches itself off and resets for the next batch of magnets to be treated.

The MSC2000 high energy calibrator has been developed to be used with Hirst's MC4C magnet charger which is capable of charging to saturation magnets made from rare earths.

Designers and manufacturers are using rare earth magnets in increasing numbers because they have the advantage of a high resistance to demagnetisation and offer considerable scope for component miniaturisation.

Hirst is on 01-748 2020.

Measures properties of paper

SMOOTHNESS AND porosity of paper can be measured using the 55K Bendtsen tester introduced by DISA, Redcliffe Way, Bristol BS1 6NU (0272 291436).

The results are expressed directly in Bendtsen numbers on a digital read-out. Measurements are taken by pressing a cylinder into contact with the paper with the interior of the cylinder under pressure. The Bendtsen smoothness number is the rate of leakage of air in millilitres per minute from the cylinder edges.

Flow rates can be as low as 2 ml/min. and to make an accurate measurement of flow a hot wire anemometer method is used with ambient temperature correction—more sensitive than the customary rotating float methods. For porosity a similar measurement is made with an airtight joint above the paper and the flow measured through it.

The unit is unaffected by mechanical vibration and is claimed to be particularly suitable for production control. The instrument has binary coded decimal output for feeding digital printers and a linearised analogue output voltage for permanent chart records.

● MATERIALS

Stops rust in store

DOW CORNING has developed a protective product which is claimed to prevent corrosion of metal surfaces and components during storage and shipment.

Called Molycote Metal Protector, it is a non-flammable liquid which dries to a colourless, wax-like film, stated to be resistant to humidity, moisture, salt water, temperature extremes and weathering.

The company says the film need not be removed before parts are assembled as the thin coating is compatible with most lubricants and does not interfere with subsequent welding. It is stated not to affect the performance of rubber or plastics.

Available in 600 gramme aerosols, or 5 or 25 kg drums, it must be applied to clean dry surfaces. Application is by dip, spray or brush. Dipping produces a film 0.0002 in. thick. For additional protection further coats can be applied by brush or spray.

U.K. office is at Reading Bridge House, Reading, Berks. RG1 8PW.

Building and Civil Engineering

Key role for Halcrow

THE MINISTRY of Communications in Saudi Arabia has appointed Sir William Halcrow and Partners to carry out site investigations and prepare tender documents for the first stage of a new port at Jubail, 90km north-west of Dammam.

This port will serve a new industrial complex, involving an iron and steel works, an aluminium smelter, oil refineries and petro-chemical plants.

The port of Jubail, which will form a key element within this concept is to be divided into a commercial and an industrial area, each to be developed independently of the other. The first two contracts for over £300m. have been let to Dutch contractors.

One is for dredging and reclamation in the proposed commercial area, valued at £128m. and has been awarded to Royal Adriaan Volker Dredging Company. The other for dredging and reclamation in the industrial area valued at £183m., has been let to a joint venture of Van Hattum, Bos Kalis and Zanen Verstoep.

It is understood that a further contract, for the first two deep-water berths in the commercial area and for part of one of the two new armoured breakwaters, is now under negotiation and likely to be let shortly. The berths should be operational late in 1976 and the value of the contract will be about £55m.

Still within the commercial area, Sir William Halcrow is to go ahead with the design of a further 14 general cargo berths, and to draw up documentation necessary to invite tenders before the end of this year. This will mean that the commercial area will offer a total of 16 berths, half with a 12 metre and half with 14 metre draughts.

Causeway

The berths are to be sited along a 9km. long causeway which will carry an access road, all main services, including fire-fighting installations, and a large pipe-track for a number of incompatible petrochemicals and other products likely to be moved through liquid cargo berths.

In view of the hazards involved, Halcrow has commissioned the advice of Cremer and Warner, chemical and petroleum engineering consultants, on the lay-out of berths.

In addition to the liquid cargo berths on the causeway, four sea-island berths are to be designed for use by very large tankers and ore-carriers; these berths will be linked to the causeway by submerged pipelines. It is expected that the development will take some five years to complete and that its overall value, including the contracts let to date, will be about £750m.

More capacity

Halcrow's commitments in Saudi Arabia have been increased with the confirmation, received last week, of the Ministry of Communications' decision to double the capacity of the Port of Jeddah, and instruction to proceed with the fourth stage of the port development and the design of a further 20 deep water general cargo berths. This involves dredging, reclamation, roads, services, sheds and warehousing.

It is expected that the latest extension works will go to tender by the end of this year, and their value is estimated, very roughly at the present rate of exchange, to be about £200m.

Urban roads in Libya

CONSULTING engineers, Rendel Palmer and Tritton, have been engaged by the Municipality of Tripoli in Libya to carry out preliminary studies and detailed engineering design for two urban roads in the city area.

The roads will be 40 km. in total length and will relieve the city centre of through traffic. They will have dual carriage-ways with grade separated junctions at major intersections. The assignment is expected to take 13 months to complete.

The firm is also currently engaged in Libya on the detailed design of 15 km. of urban roads for the Benghazi Municipality and on the design and supervision of construction of port facilities at Misurata, Derna, Marsa Brega, and Benghazi for the General Ports and Lights Authority of the Libyan Arab Republic.

£2m. awards to Wimpey

OVER £2m. worth of housing contracts have just been won by George Wimpey.

The largest, from Basildon Council calls for the construction of 108 homes at Vange, at a cost of £1.1m.

The project at Glenmere Avenue, includes 60 two-storey three bedroom houses and 48 three-storey three bedroom units, with 17 garages and 72 car ports.

Also included is a tenants' meeting hall, roads and sewers.

In Leeds, the company is about to start on a £900,000 contract for 113 dwellings and a shop for the City of Leeds.

This project, at Pepper Road, will involve 32 one bedroom flats, 23 two bedroom houses, 48 three bedroom houses, 10 four bedroom houses and a shop.

Airport car parks and roads

THE BRITISH Airports Authority has awarded Tarmac Construction a £1.2m. contract for roads and car parks at Edinburgh Airport.

The 70-week contract includes site clearance, excavation and earth-works, laying of foul sewers and storm sewers, water main, telephone ducts and construction of 16,324 square metres of car parks, a gas governor house, water storage tank, and retaining walls.

Landscaping and street and car park lighting are also involved in the project, which is on land previously used for agricultural purposes on the west of the airport.

Expansion of airports in Sudan

DEVELOPMENT of three airports in Southern Sudan and of an alternative to Khartoum International Airport to be located in the vicinity of Port Sudan is being studied by Brian Colquhoun and Partners for the Director General of Civil Aviation.

Two of these developments, at Port Sudan and at Wau, involve the location and evaluation of possible new sites, whereas the other two, at Juba and Malakal, envisage continued use of the existing airports. In every case development is required to meet acceptable international safety standards and to permit operation of jet aircraft.

Topographical, soil and aggregate surveys have been carried out at each of the sites and load deflection tests have been made on the runways at Juba and Malakal.

Master plans are being prepared for each of the airports including considerations of runway, taxiway, apron and terminal facilities together with ancillary buildings, power supplies, airport lighting, telecommunications, navigation aids and crash and rescue facilities.

£1m. grain silos

DREDGING and Construction in joint venture with Visser and Smit is constructing two grain silos, one at King's Lynn, Norfolk and the second at Sharpness, near Bristol. Each silo will hold 6,000 tons.

Value of the contract, which is being carried out for Ceres U.K. of Aylesbury, Bucks, is nearly £1m. Consulting engineer for the scheme is Mr. J. H. Timmer of Groningen, Holland.

Fail safe smoke door

MAGNETIC DEVICES has a "Stay-put" smoke door retainer designed to be fully compatible with modern electrical components such as 13A mains sockets and domestic light switches.

This smoke door retainer is an electro-magnet having a very low residual force of only 2 lbf. The electro-magnet is mounted on a wall and a catch plate on the door. In the normal safe position with the electro-magnet energised, the door is held open with a retaining force of 30 lbf. The retainer is connected to the main fire protection system and a local door control switch.

In the event of fire the current to the retainer will be automatically, or manually, switched off and the smoke door will close. Should the alarm system fail, the smoke door retainer will operate as soon as the electrical supply fails or when the specially designed flexible coupling of its catch plate burns through.

It will operate from 240V ac. or 240V dc, both versions having a maximum power consumption of 5W. Insulation is tested, coil to frame, at 1,500V, 50Hz for one minute.

Magnetic Devices, Exning Road, Newmarket, Suffolk CB8 0AX. Newmarket 3481.

£2m. jobs for Miller Buckley

A £700,000 contract for the Tipton Brook diversion for the Metropolitan Borough of Sandwell is the largest of several contracts worth nearly £2m. awarded to Miller Buckley Construction.

Other contracts are for relining a sewer for the Thames Water Authority (£430,000) for factory extensions in the Midlands and north-east and extensions to telephone exchanges at Kensal Green, London, and Stockton-on-Tees.

Power for Mauritius

ENGINEERING and Power Development Consultants of Sidcup, Kent, has been appointed by the United Nations Development Program, acting in conjunction with the Government of Mauritius, to carry out feasibility and design studies for the development of the Quatre Soeurs hydro-electric power scheme.

Fuel saved for the Government

INSTALLATIONS in Government buildings of Honeywell fuel-saving controls for heating systems have passed the 1,500 mark, the company has announced.

The buildings involved are managed by the Department of the Environment's Property Services Agency, which has worked with Honeywell's Commercial division since 1971 in testing and developing the application of heating control systems to intermittently occupied buildings such as office blocks.

Optimum start controllers, manufactured at the company's Bellshill, Lanarkshire, factory are the basis of the systems which work on the principle that an intermittently occupied building should be heated sufficiently to ensure an adequate level of comfort during the period of its occupancy—but not when it is unoccupied.

Thus the system takes into account the various factors affecting temperature inside a building—for example, the thermal characteristics of the building, the capacity of its heating plant, and the outside temperature—in order to start the heating plant at the right moment to have the building warm when people start arriving for work, and so as to shut down the boiler as early as possible.

The Property Services Agency has analysed the performance of the first optium start controllers to be installed, and indicates that average fuel saving achieved by the systems is 25 per cent.

Based on the cost of the systems and the cost of heating fuel at the time the study was carried out, the PSA reckoned that the optium start controllers would pay for themselves in two years. Since then, the rise in fuel prices —particularly oil—has meant that a high proportion of building owners will see their investment in heating controls recouped in just one heating season by the fuel savings that the controls achieve.

Services in a bank . . .

MARRYAT Jackson Norris (Marryat Group) has won a £573,000 contract to design and instal mechanical, electrical and plumbing services for the new National Westminster Bank building in Spring Gardens, Manchester.

Comprehensive services are included in the contract—air conditioning, low pressure hot water heating, domestic hot water, mains cold water, tank cold water, supply and extract ventilation, gas, electrical lighting and power supply and distribution, and sanitary engineering.

Detailed design work for the development is being undertaken by MJN to NatWest requirements. Architects for the project are Arthur Swift and Partners and consulting engineers F. C. Foreman and Partners of Nottingham.

. . . and at a terminal

AIR CONDITIONING and building services at the Phillips Norway Group/Statoil crude-oil terminal at Teesside are to be provided under a £¾m. contract by Rosser and Russell (Northern).

A completely controlled environment will be designed for four key computerised control centres while hot and cold water supplies, control wiring, and other services will be provided for a total of eleven buildings.

Completion of the Teesside order is required by November this year.

Glazing to resist bullets

A NEW concept in bullet-resistant glazing was given its U.K. launch at a demonstration "shoot-out" at Bisley last week.

Lexgard, the bullet resistant sheet has been developed by General Electric of the U.S. in response to increases in attacks on buildings, in particular banks, cash points, departmental stores and areas, where employees handling money are vulnerable.

Lexgard is a composite sheet offering unbreakability and resistance to vandal attack.

It has a weight factor of 60 per cent. less than bullet-resistant glass and is therefore easier in installation and provides more flexibility in design for architects.

It will not splinter or crack upon bullet impact and thus cause injuries to persons behind the glazing.

Main distributor and glazing contractor for Lexgard in the U.K. is James Clark and Eaton of Southern Industrial Area, Bracknell, Berkshire (Bracknell 24733).

Patches potholes

DELAYED SET patching material, stated to be suitable for a range of applications, from use as a heavy duty emergency material for airport runway repairs to trench reinstatement, overlays and bridge repairs, has been developed by Lion Emulsions, St. Nicholas Street, Hereford HR4 0BB (0432 55401).

Called Bitucrete, it can be stored in loose bulk form for three weeks, eliminating the normal wastage with delayed set materials. The maker says it can be applied to potholes or trenches, which have not necessarily been cut back, and immediately after compaction can carry heavy traffic. It can be laid in wet and dry conditions, and will feather out to very thin layers.

It is made with a combination of aggregates graded from ¾ inch down, with more than 60 per cent. passing ⅛ inch and 6-8 per cent. passing 200 mesh. It is coated with about 8½ per cent. of a special binder.

Making the terra firma

WIMPEY Laboratories has been appointed geotechnical consultant to the Central Bank of the Dominican Republic for the supervision of a soil compaction contract. This will involve repeated very high intensity impacts to the soil, the results of which will be monitored by specially developed instrumentation.

The Dominican Republic lies in an area of the Caribbean in which earthquake activity is likely. The loose saturated granular soils there are liable to come into a liquid (or quicksand) state during earthquakes and the purpose of the contract is to increase the relative density or compactness of the soils and so reduce the risk of structural collapse of buildings to a minimum.

Roof tile underlay

ROOF TILE underlay material introduced by British Cellophane, Bath Road, Bridgwater, Somerset TA6 4PA, is said to give architects, roofing contractors and builders a cost-effective way of complying with British Standard Code of Practice C.P.142 "Slating and Tiling."

Known as Tilene 200 P, it is a black, micro-perforated polythene sheet, available in rolls 1 x 50 metres, weighing about 9 kg. The micro-perforations are claimed to be unique, allowing condensation forming vapour to escape from the roof void, but preventing the passage of water. It has been approved by the National House Building Council. The company has applied for an Agrément Board Certificate.

The material is said to be less of a fire risk than the conventional bitumenised sarking felts. BCL says that in the event of fire, Tilene has a low rate of flame-spread and that it melts to form droplets which are virtually self-extinguishing.

It is also claimed to be tougher and have a higher resistance to rough handling than traditional materials.

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MONDAY, JUNE 30, 1975

Not too late to turn back

THE STATE of emergency in India, and the arrest of many of Mrs. Gandhi's political opponents, can only cause dismay to all those who have for a quarter of a century valued India's extraordinary, almost unique, achievement in maintaining a functioning democratic system, despite the obvious hazards of an enormous population, a multiplicity of races, creeds and cultures, and the growing burden of grinding poverty. Mrs. Gandhi has now taken powers equivalent to those of a dictatorship, for motives which clearly have a lot to do with her personal attachment to political power, and it will not be easy for her to retrace her steps, even if she wanted to. Yet it is still too soon to write off Indian democracy as a lost cause.

Constitutional

The most ominous sign is that Mrs. Gandhi has now suspended all fundamental rights under the constitution. In itself, the declaration of the state of emergency was perfectly proper in constitutional terms, however unjustified by the circumstances. The suspension of fundamental rights is not legal under the constitution, and suggests that Mrs. Gandhi may be prepared to go a long way, regardless of the law, in order to safeguard her own position. Those of her opponents who have been imprisoned will not *be able to appeal to the courts*, and that in turn means that the independence of the judiciary, one of the keystones of India's political achievement, is indirectly threatened.

The one slight remaining hope lies with the Supreme Court, which on July 14 is due to hear her appeal against conviction for political corruption. If the Court is allowed to sit, and if it clears Mrs. Gandhi, there just may be a way back. If it upholds the conviction, which would carry disbarment from elective office for six years, Mrs. Gandhi's only chance of hanging onto power will be through unconstitutional methods. The case for acquittal might be that, by ordinary standards of political corruption, Mrs. Gandhi's offences were minor and technical. On the other hand, the Supreme Court's hearings could go on for months, and Mrs. Gandhi has declared that the reason for the state of the emergency is an unspecified plot against her, without reference to her Allahabad conviction.

It will still be open to Mrs. Gandhi to declare, in a few months' time, that this alleged plot has been disposed of, and that the normal functioning of the constitution can be restored. Unfortunately, the prime cause of Mrs. Gandhi's vulnerability in a democratic system is not a political plot, but the shortcomings of her government's economic policy. India has faced major difficulties as a result of three years of drought, but Mrs. Gandhi has always tended to talk more socialism than she has practised, and her party's dependence on business for its finance makes it an easy target for the opposition.

Democracy

It is sometimes argued that democracy is unsuitable for very poor countries, if only because economic development requires a savings rate, and controls over such socially sensitive areas as the birthrate and agricultural production, which can only be achieved under authoritarian government. Mrs. Gandhi herself has argued that more rapid progress could be made in India under a dictatorship than under a democracy. But India is not the only democracy with a lamentable economic record, and neither Mrs. Gandhi's economic failure, nor her lurch towards despotism, prove that India's democratic system has failed. If there has been a failure, it is that of the parties and politicians, and primarily of Mrs. Gandhi herself. There can be no guarantee that Mrs. Gandhi would be more effective in solving India's problems as a dictator than she has been as prime minister.

Unemployment and trade unions

ONE OF the six points of the TUC package issued by the General Council last week is the halving of prospective levels of unemployment, by which is apparently meant a target of 500,000 by the end of 1976. It will be tempting for Ministers and Opposition leaders alike to avoid facing this demand frankly and take refuge in statements of good intentions which they are pretty sure cannot be fulfilled. The trouble with this *approach is that it becomes devalued if it is used too often.* There would be less trouble in the end if the obstacles to achieving the target were stated candidly.

Practical

This should be easier to do after the publication by the Institute of Economic Affairs of a Paper by Professor Milton Friedman, Unemployment versus Inflation? Unlike some academic work, this is of immediate practical application. For it explains why Governments do not possess the power to spend the country into any level of employment they desire. The conventional answer, that this would risk pricing British goods out of world markets, is not in itself fully convincing in a world of floating rates, whether "clean" or "dirty."

A slightly better answer, which was believed for many years, was that countries had to pay for a lower rate of un*employment* by a higher rate of inflation. Economists who believed in this tradeoff were fiercely attacked for being callous or mechanistic. But the real trouble with the tradeoff theory was that it was too optimistic. It assumed that the normal state of affairs was one of price stability. If trade unionists and employers are rational they will look at real *and not just money*. wages. When people believe that prices are rising by 25 per cent., an overall balance in the labour market will be associated with wage increases of about that order. Professor Friedman's main practical contribution has been to show that low unemployment produces not inflation, but accelerating inflation: and high unemployment will produce not price stability but merely a gradual reduction in the inflation rate—unless the authorities can find a way of killing inflationary expectations.

No-one can say how severe or how long will be the transitional unemployment in moving from a 25 per cent. rate of inflation to 10 per cent. or less. There is not enough evidence of such high inflation rates in advanced industrial countries to make a worthwhile estimate. But it is clear that a great deal will depend on the unions themselves.

What the Friedman Paper *does demonstrate is that even* when inflation is back to a tolerable level, there is a limit to how far employment can be stimulated by the Chancellor. If unemployment is pushed below some minimum sustainable rate, wage increases will speed up once more, bringing with them higher prices and still higher wages, and thus restarting the escalation process.

Restrictions

Last time unemployment neared 500,000, at the peak of the 1973 boom, effective vacancies far exceeded the available unemployed: and even if there had been no political clash between the unions and the Heath Government, inflation would have accelerated. One reason why the sustainable rate of unemployment is higher than it used to be is that benefits are much higher in relation to income. This change may be desirable. But there are other quite unnecessary obstacles to a lowering of the unemployment rate, such as rent subsidies and controls which discourage workers from moving to jobs, but which are insisted upon by the TUC. Unions restrictions on entry into jobs, or attempts to sustain traditional wage differentials in the face of a changing labour market, also push up the unemployment rate. The objection to printing money as a solution is not that it is anti-Friedmanite, but that it will not work.

Public expenditure: Continuing our series on possible cuts, **Colin Jones** looks at transport policy

A difficult journey towards greater viability

TO bring about a smaller increase, let alone a reduction, in real public spending on road and rail transport will require far more than a temporary halt in the flow of new road building and maintenance contracts. This may have been one of the easiest and surest ways of cutting back at one time. But public transport's growing appetite for revenue subsidies and new investment *now absorbs almost half all* public spending in this sector. This is double the proportion four years ago, and it makes the task of paring back much more painful politically.

The change in spending priorities was deliberate. It stems in part from the 1973 decision to treat the whole of British Rail's passenger services as a "necessary railway," to be supported both by large revenue subsidies and a bigger re-equipment programme. It also reflects a similar approach, adopted even earlier, to local public transport services. Local road building has been cut back as much as the *national* programme, and more money is now being spent on local bus and underground services. The counties have been given more say in the planning and financing of their local transport expenditure. And in London and other big cities public transport fares have been pegged—in the mistaken belief that this would make the services more attractive.

Public expenditure on transport has as a result been growing rapidly. In the last four years the real annual increase has averaged about 7½ per cent. Road expenditure is no higher now than *four years ago, but* investment in rail and other forms of public transport has been stepped up by 16-17 per cent. a year and the bill for "revenue support" — the new jargon *for subsidies*—has risen by no less than 41 per cent. a year. These figures could even be underestimates. The out-turn for this year and last is not yet known and, as is clear from the tables, the final out-turn can be a good deal higher than the original estimate.

Directing the axe elsewhere

It would be easy for the Chancellor to cut back further on the provision for new investment in roads and public transport. But there are several reasons why he should first direct his axe elsewhere. First, it is not capital spending that is out of control. Departmental Ministers have all the powers they need to control capital expenditure by British Rail and local authorities, while the trunk road programme is Whitehall's own direct responsibility. Second, investment expenditure as a whole has hardly increased in recent years. Next year, following the cuts announced in Mr. Denis Healey's last Budget, the provision will be lower than this year. Third, it is generally far more sensible to spend money on new or improved *facilities* than to subsidise fares.

Even on the railways, where 70-80 per cent. of current investment is replacement, most expenditure is on items like continuous welded rail, power signalling, and improved rolling stock which will (or should) save manpower. But it is in the road sector where the economic case for avoiding—if possible—further cut-backs is strongest. The forward provision for new investment next year has already been cut by over 40 per cent. in the last 2½ years and road contractors are working well below their capacity. There are still innumerable gaps in the strategic road network—access to the ports and "historic town" by-passes for example—which will not now be completed before the mid-1980s at the earliest. Yet road transport carries 80-85 per cent. of all freight (other than fuels and steels) hauled over distances greater than 100 miles, and there is very limited scope for transferring it to rail without adding to the 6-7 per cent. of industrial costs which are absorbed by transport.

Much harder to cut

Moreover, it is revenue spending—and especially the rapidly rising bill for fares subsidies—*which is the main problem.* This, of course, is much harder to cut back. Once bus and rail fares fall behind costs it is never easy to close the gap. If the deficit is to be reduced, fares have to be raised faster than costs — and faster than prices generally.

Nevertheless, the rate of escalation in the subsidy bill has been breathtaking. Estimates of the amount of grant needed by British Rail's passenger services have been revised more or less continuously since 1973. The latest figure for this year, which was announced last December, is *£341m. in revenue grants plus* £30m. or so from local authorities (for commuter and other local rail services) and a further £97m. from the Exchequer to help fund the railway's pension liabilities. Even before the latest pay settlement it was plain that this would not be enough. Under the old grant system, nearly £400m. had to be pumped into British Rail last year. The 1975 total could easily exceed £500m. And, unless something is done soon, the bill could reach £1bn. in another three or four years' time.

PUBLIC EXPENDITURE ON TRANSPORT*

WHERE THE MONEY GOES (AT 1974 SURVEY PRICES)

	Out-turn 1971-72 £m.	1972-73 £m.	1973-74 £m.	Estimate 1974-75 £m.	Provn. 1975-76 £m.	Average annual change %
INVESTMENT						
Roads	682	642	712	647	622	−2.0
Rail	112	131	143	143	197	+16.0
Other public transport	93	133	143	141	171	+17.6
	887	906	998	931	991	+3.0
CURRENT						
Subsidies —rail	93	125	192	291	317	+37.1
—other public transport	32	39	36	135	144	+74.1
	125	164	228	426	461	+41.4
Road Maintenance	318	340	347	327	336	+1.5
Administration	83	84	90	108	109	+7.3
	526	588	665	861	906	+14.4
TOTAL	1413	1494	1663	1792	1897	+7.6
of which local authorities	774	819	858	914	915	+4.3

Source: Public Expenditure to 1978-79: Command 5879
**Road and rail transport*

ANNUAL REAL GROWTH

ESTIMATE AND OUT-TURN

	1972-73 %	1973-74 %	1974-75 %	1975-76 %	1976-77 %	1977-78 %	1978-79 %
Estimate before start of year							
3½ years before	—	4.2	3.5	3.5	4.1	1.1	1.5
2½ years before	4.5	3.9	3.3	3.5	3.7	2.3	...
1½ years before	6.6	5.8	4.0	4.8	3.5	...	...
½ year before	9.0	4.2	4.0	5.9	...	—	...
Estimate during year	14.7	17.5	7.7	...	...	—	...
Out-turn							
½ year later	4.6	11.3	...	...	...	...	...
1½ years later	5.7	...	...	...	...	...	...

Source: Annual Public Expenditure White Papers

Just as startling, although perhaps not so widely realised, is the upsurge in revenue subsidies for local public transport. The new grant-aid arrangements for local transport expenditure require the counties, as transport authorities, to submit each year a *comprehensive* account of their transport policies and programmes. When the first of these TPPs for 1975-76 arrived last year, Ministers were horrified to discover that the counties were proposing to spend 37 per cent. more in real terms than in 1974-75. No doubt this in part reflected some competitive overbidding, but it was not the only revelation. Low fares policies had resulted in a bill for revenue support of about £100m. in cash terms in 1974-75 and, if policies remained unchanged, the cost this year would have been more than double.

The Government considered *that it had no option other than* to accept last year's bill as a *fait accompli* and to adjust the 1974-75 rate support grant settlement accordingly. But the level of expenditure accepted for this year's new transport grant was cut back *to 4 per cent. in real* terms below the figure for 1974-1975. A further 5-6 per cent. reduction has already been ordered for 1976-77. Capital expenditure has been sharply curtailed, the restoration of commercial viability in bus operations in general called for, the provision for revenue support increased by a mere 20 per cent. (in real terms) above last year, and the Government has said that it wants to see the subsidy bill halved (again in real terms) by 1978-79.

Putting policies into reverse

Will this be enough? It is true that low fares policies are now being put into reverse all *over the country.* The Greater London Council—whose revenue support for London Transport accounts for just over half of the national total—sanctioned one fare increase in March and has called for another, of 26 per cent., in November. But a 6 per cent. increase in London Transport's costs is equivalent to 1p on the GLC precept. Capital charges are rising. And *the council has calculated that*, even if fares were raised by another 35 per cent. or so in 1976 and in the following year, the rate subsidy could still go up from 3.2p in the pound this year to 5p in the pound in 1977-1978 if inflation remains unchecked.

Under the new arrangements, each county is free to choose how it spends its transport grant *and borrowing allocation* and how far it supplements these funds from the rates—although too blatant a departure from the programme set out in the latest TPP could lead to trouble when the following year's grant and borrowing allocation are being negotiated. This may well be a situation where it would be worth putting Government grants on a cash basis, instead of expressing them in *real* terms and making retroactive adjustments in the light of actual cost trends.

It is ironical to find Ministers telling local authorities that there is little evidence of low *fares attracting passengers to* the buses and that low fares are not "an entirely effective way of helping the worst-off sections of the community." The point is just as valid with rail fares. Indeed, it might be *even more* pertinent since expenditure on rail transport appears to rise with family income. Either way, the pressure which Ministers have been putting on local transport authorities contrasts oddly with their mute reaction so far to the mounting deficit on British Rail.

Bipartisan support

It is true that present rail policy attracted and still retains bipartisan support. But *there clearly has to be a limit* to the subsidy bill. It may well be that, in the long run, British Rail will have to be run down to a basic rump of inter-city, commuter and freight train services. But that is not an immediate option. The transitional costs would almost certainly be heavy, because of redundancy payments and the delay in escaping costs. In the meantime, the scope for savings lies mainly in three directions: higher prices, better use of resources, and reductions in routes and services.

On the first two, British Rail has already made some progress. *It is now pushing up fares and* freight charges as fast as it thinks the market will bear. And it is steadily reducing its manpower and equipment. Since 1970, the numbers of staff, locomotives, and passenger stock have been cut by about 3 per cent. a year, and the wagon fleet reduced by about 11 per cent. a year. But there can be little doubt that more could be achieved more quickly.

There is no reason why commuters—who are largely a captive market—inter-city travellers, and all rail freight users should not pay the full economic cost. Similarly, with resource reduction. Obviously, productivity can be improved if new equipment is installed. In the meantime, use can be made of natural wastage—which is high—new manning agreements can be sought, and the punctuality of freight trains improved (which would help to ease some of those bottlenecks which railwaymen and their customers complain about). Above all, *perhaps, management systems* and procedures can be tightened up. British Rail is increasingly taking on a top-heavy look. The decision earlier this year to abandon the proposed "field re-organisation" hardly boosted the confidence of British Rail's paymasters.

In the last resort

The initiative lies, in the first place, with British Rail itself, as Mr. Richard Marsh, the chairman, indicated just over a week *ago when he said that the excess* cost of the latest pay settlement would have to be found from within the organisation. Ministers can set a cash limit in advance on each year's grant. But a similar arrangement was tried under the Transport Act, 1968. Even before the railways were subjected to price restraint, the system did not stop British Rail's sliding again into the red. Whitehall can also devise ways of monitoring the railways' performance. But these may be no more effective. In the last resort, the only sanction available to the paymaster if the tune is not to his liking *is to start looking for a new* head piper.

In one respect, however, the responsibility for taking action lies with Ministers. This is on route and service closures which require Government approval. There was never any logical basis for the 1967 decision to hold the rail network at about the present 11,000 to 11,500 route miles. There may be a case for retaining a margin of rail services over and above those which people are prepared to pay for of their own volition, but it is not necessarily one of that size. At the present time route closures are running at *about 100-200 miles a year, or* about 1½ per cent. of the total. A faster closure programme might not save much very quickly, but every bit helps.

MEN AND MATTERS

Union chooses a local gap

Michael Healey will be doing The Walk in the afternoons, but does not expect to wear his topper, though that will be prominently displayed on the desk in his office just off Edinburgh's Charlotte Square. It is possible that his mode of operation will change between now and August 5 when *Union Discount becomes* the first of the 11 August discount houses to open up in Scotland.

Union, as the biggest house, is still keen on the tradition that its personnel should be seen com*plete with traditional silk top hat* when they make the daily personal round of City contacts (The Walk) in the course of business. It must be said that not all Union's smaller colleagues continue to so insist *nowadays.*

After 1973, which was for most of the discount houses the grisliest year in memory, life in Union's business in the short term markets for bills of exchange, Treasury and Corporation Bills and Certificates of Deposit has improved markedly. The company's profits last year rebounded to £3.57m.: expressively enough, the loss in 1973 *had been £3.57m.*

Union points out that discount houses are really the last institutions to be represented in Edinburgh, flush as the place is with new oil-related activities *and the established financial* houses, notably venerable but large investment trusts. One particular area for discount people is the increasing business developing in local *authority Bills following the re*organisation of authority areas and increases in expenditure.

So, believing that Scotland is just ready for specialists in the short-term investment paper market, Union has found its own modest diversification route. It is not the first house to venture beyond the City. A notable step *at the end of last year was* Gillett Brothers' opening of an office in Dubai. Union is politely sceptical of the value of seeking Arab funds, preferring the more local gaps in finance needs, and stressing the way the Scottish banks' views have been sought and how there will be collaboration with them rather than competition.

Healey, 35, who will be the resident Edinburgh representative, has been with Union since 1961 and acquired a reputation for good golf. Watching over things from London will be his managing director Graeme Gilchrist, a Scot who shifted over *from merchant bankers* Baring Brothers four years ago. He reckons two years will see whether the new office is worthwhile—in the meantime, he has slight hopes that Healey will be persuaded to don the topper for Charlotte Square's benefit.

Guest list

After next week's National Union of Mineworkers annual conference, the militant Yorkshire area of the NUM will be holding its summer school at *Bingley, when miners nominated from individual branches* gather to debate the political and industrial scene.

Most of the speakers are no surprise, and will include the local union leader, Arthur Scargill, and Lawrence Daly, the national general secretary. Also there will be Jimmy Reid of Upper Clyde fame: he is just finishing as Rector of Glasgow University and is a candidate for the Engineers' Union national executive seat vacated by John Boyd, now general secretary.

Choosing a woman speaker for such company could have proved tricky. The Yorkshiremen have plumped for Vanessa Redgrave, linked with the *Workers' Revolutionary Party*, whose own trade union activity has not progressed notably well with Equity, the actors' union, so far fending off left wing challenges. There is one other important name on the miners' list: Sir Derek Ezra, chairman of the Coal Board.

Dravo's Middle East route

"The Egyptians are a bit like the City of New York," says Thomas Faught, senior vice-president in charge of finance at Dravo Corporation, an American company whose view of the Middle East is somewhat unusual in that it embraces Britain on the way.

Dravo is in engineering and design, construction, mine development and mineral processing. Faught hopes that, having started with an irrigation and water management *scheme for Algeria and two elec*trical distribution projects in Iran, other Arabs will soon be customers. There is obvious potential in Kuwait and Saudi Arabia, which plans no less than *50 water desalination plants in* its five-year development programme. The Egyptians' needs in the same area are tremendous, but with 25 per cent. of g.n.p. going to the military, the country's domestic development looks hampered.

Faught's linking of Egypt with New York, home of the original urban financial nightmare, is no accidental, off-the-cuff remark; for Dravo, the city is a particularly sour place. The group is a partner in a project to build a 26-foot-diameter water tunnel running 14 miles under Manhattan. In 1972, it was expected the work would take four years and cost $225m. It became clear the estimates were dropping far behind, and Dravo claims *hideous complications* like the fact the actual amount of steel required will be more than 24 times the city's original allocation.

As the builders started legal *action to try and raise the price*, work on the tunnel stopped between last December and March. Now, a consultant is engaged on re-examining the scheme, and Faught reckons agreement will soon be reached on money and the ultimate timetable.

The tunnel is not typical of Dravo financially but does show the scale on which the company works. Recent work included the engineering for 48 locks on the Mississippi River, each of which consists of 1m. cubic yards of concrete, making them the biggest in the world. In the nuclear power field, Dravo has just received a contract for the engineering and design of its fourth plant in Spain: they have three in Italy, two in Switzerland and one in Sweden.

Faught says he hopes to find in Britain potential manufacturing partners. Certainly, actual construction work here has been on a rather less grand scale than Dravo is used to. At the beginning of this month, the *group was awarded a contract* to design and engineer a soya-bean processing plant. Dravo's slice was a modest $4m. on a project worth $14m. in all.

Careful

Under the heading "Elbow Room," *Electronics Weekly* reports on a British businessman who has built a company up from "nothing to £6 turnover in 12 years" and "sees expansion into Europe as the best bet to continue growing at the rate he is used to."

Observer

FINANCIAL TIMES SURVEY

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PROPERTY

PART TWO

"Surveyors and developers are showing more willingness to suggest sensible long-term solutions; most of them seem to realise that until such a solution has secured a broadly based political support, the property world — and through it the economy at large — will continue to suffer."

Dangers of a partisan approach

THE OWNERSHIP and development of land has always held a *fascination for politicians*—and for people seeking investment security or the prospect of a handsome capital gain. The fact that to-day we have one Bill on Development Land before Parliament and another soon to be presented (on the proposed Development Land Tax affecting land betterment) serves to underline the central place which land occupies in the thoughts of our politicians.

Over the past three decades we have seen the Uthwatt Report of 1942, drawn up by an expert committee and responsible *for much post war* thinking on planning and development and a string of Labour government legislation: the Town and Country Planning Act of 1947, The Finance Act of 1965 (which introduced capital gains tax), *the* Land Commission Act of 1967, the Finance Act of 1974 (sponsored by a Labour Government but *including Mr. Anthony Barber's* Development Gains Tax and First Lettings Charge), now the Community Land Bill and soon the Bill on Development Land Tax.

The roll-call is lengthy and *exceedingly depressing.* For, with the single exception of the capital gains tax which eventually commanded all-party support, no Government legislation in this field has endured. At present the Development Gains Tax and First Lettings Charge still apply but they too are to be swept away when the Community Land Bill, piloted by Mr. John *Silkin, Minister* for Planning and Local Government, is passed by Parliament and comes into force.

The irony is that no piece of legislation could be guaranteed a more certain death at the hands of Labour's political opponents.

The truly remarkable thing about the Community Land Bill, which is the nub of the Government's present intentions towards land development and planning, is the broad span and the strength of the opposition expressed. Developers have been up in arms, as one might predict, but so have individual firms of property agents, the august Royal Institution of Chartered Surveyors, the Incorporated Society of Valuers and Auctioneers, the British Property Federation and the House - Builders Federation. With the important exception of one of the principles underlying *the Bill, virtually no support* has been forthcoming from any of them.

The hostility extends far more widely than that, however. Various Chambers of Commerce *have come out in opposition, so* has the Law Society and Justice (the British section of the International Commission of Jurists) most of the Church leaders, opposition politicians and nearly all the commentators in *the National Press* who have turned their attention to this relatively ill-publicised Bill.

What, then, has all the fuss been about? Before one answers that it is worth pointing out that one of the two principles underlying the Bill is now widely accepted by most of the critics—something which *may well encourage Mr. Silkin* to think that the rest of the Bill will win converts once its virtues are seen to be working in practice. This principle is that the "community" (the local authority) should benefit financially *from* the *increase in* land values which occur when it grants a planning permission.

The Bill's second principle—*that local authorities should be* empowered to plan "positively" rather than, as at present, remain the recipients of other people's planning applications—is very much less widely accepted since many sceptics feel *that local authorities are con*genitally incapable of fulfilling a "positive planning" role effectively.

These days it is rare to find anyone in the property world who does not accept the first of these two principles. It is even more difficult to find anyone who believes that the Bill will achieve the intended objective *if it* does reach the Statute Book. This is a truly frightening state of affairs since, whatever their *shortcomings in the past,* the men of the property world can at least be expected to know what will work and what will not. Their vote is emphatically one of no confidence.

Nothing

In outline the Bill initially *allows local* authorities to acquire land needed for "relevant development" net of the new proposed Development Land Tax which will start at 80 per cent. and later be raised to 100 per cent, so that by that time the *land vendor will gain nothing* more for his land than its current use value. At a later stage, local authorities will be obliged to buy all development land at current use value. Local authorities will have to build up *land banks to meet their* development needs for the coming ten years and, to fulfil this requirement and the other duties set out by the Bill, they will be given far greater powers *of compulsory purchase.* Private citizens will be stripped of their power to make effective objections and get an order overruled.

The Bill's critics have based their campaign on four main areas: the legal, financial, administrative and economic aspects. Justice calls the Bill "constitutionally unacceptable . . . and *inconsistent* with the rule of law" because many of the proposals rely on delegated legislation (determined, for instance, by statutory instrument) and on the discretionary powers of local authorities and the Secretary of State for the Environment. Not without reason has one critic called the Bill a *blank* cheque: as *presently* drafted there simply is no safeguard to ensure against abuse either locally or in Whitehall.

These legal criticisms may sink the Bill, though that is not very probable. A *far greater weakness is the Bill's financial provisions.* The Government does not want to see any of the money needed by local authorities for development land acquisition bearing *on the rates and one can under*stand why since the sums involved are enormous even according to the Government's own figures. When in full operation, the community land scheme is estimated to cost local *authorities £300-£400m. annually* in acquisitions for private development: administration costs are estimated at £50m. and the estimated annual capital disposals are estimated to be £800-£900m.

Even if these figures were fulfilled, there would still be *the tricky matter of priming the* pump to get the land acquisition programme under way and no one denies that this would involve a huge demand on public funds. It is here that legislation and reality begin to diverge so visibly that some people question whether the Bill can reach the Statute Book or, if it does, whether it will be brought into operation on April 6 next year as appears to be in the mind of the Government. The Chancellor's determination to cut back public spending sounds daily more assured and certain: it seems almost inconceivable that a new measure, not yet law, would be let through the net when many current spending programmes dear to the Government's heart are threatened with the axe. The next few weeks should help to make the Government's thinking towards the financial implications of the Bill a great deal clearer.

Administrative worries also loom large. In the first place, it seems highly unlikely that the developer with entrepreneurial flair and judgment who at present *fulfils the task* of site assembly, financing, project management and perhaps sale of the completed property will ever be persuaded to work as a local authority employee. Yet unless men of *entrepreneurial* calibre are found the local authorities will have grave difficulties in fulfilling their new and onerous duties.

Furthermore, about 13,000 additional staff will be needed at local *authority level* and 1,400 at the Inland Revenue to handle the Development Land Tax. *Once again it seems* unlikely that these increases will willingly be approved at the present time by the Government's financial ministers.

Finally one comes to the economic problems. Development is already at a low ebb on the commercial and industrial fronts. No improvement can be expected in any case until the prospects for much higher rentals are strong enough to *tempt developers* back into the market. That day will take longer to arrive if (a) land owners will not sell their land because they believe that the 80 per cent. Development Land Tax will soon be swept away, *or (b) in* cases of purchase by the local authorities, the deal offered by the local authority is financially unattractive or (c) the sources of long-term financing dries up because the institutions cannot obtain long enough leaseholds from the local authorities. Perhaps the best way to sum up the fear shared by landowners, developers *and the institutions* is "red tape." The chances of speedy, sensible planning and development decisions being taken at local authority level are likely to be reduced still further.

It is possible to detect on a grand scale some of the chaos which may later be found in town halls if one glances at the Government's present operations concerning land legislation. The White Paper *on Land last September* was announced before the Dobry report on speeding up local government planning had been presented: the text of the Land Bill was presented to Parliament *before* an Advisory Group under *Sir Dennis Pilcher* was set up to advise the Secretary of State on matters related to land development: the Development Land Tax bill, will be presented by the Treasury (although it is an integral part of the Community Land Bill which is sponsored by the DoE) and it now appears that it will be preceded by a White paper *spelling out in still* greater detail an explanatory document published by the Inland Revenue last February on the scope of the new tax.

Initially it was intended to bring the Community Land proposals into effect next January but consultations revealed that many local authorities preferred *commencement* to coincide with the financial year. Furthermore problems with the Development Land Tax and the proposal to introduce a White Paper added to the pressure to allow the schedule to slip a *little.*

So far the arduous Committee sessions on the Community Land Bill have yielded only one major concession. Last week the Government accepted an Opposition amendment *which will require* local authorities to specify its reasons for acquiring land.

In addition it looks as though the churches may be exempt if they wish to redevelop now redundant church land and the National Farmers' Union have successfully won a concession which obliges local authorities to take the needs *of agriculture* and *forestry into account in the* purchase and control of land. But these are not major victories, given the broad scope of the Bill.

Perhaps the only lasting good done by the current legislation is that it has at last woken up many people to the dangers of a partisan approach to land. Surveyors and developers are showing more willingness to suggest sensible long-term solutions: most of them seem to *realise* that until such a solution has secured a broadly based political support, the property world—and through it, the economy at large—will continue to suffer.

John Trafford
Property Correspondent

Owned by the Legal and General Assurance Society; this Queen Anne house near London's Law Courts has been let by Weatherall Green and Smith to Rhodia (U.K.), a subsidiary of the French chemical group, Rhone Poulenc

CONTENTS PART TWO

The Development Land Tax is designed to cut the cost of land acquisition by local authorities during the transitional stage of the Community Land Bill. It will at first be at 80 per cent. rising to 100 per cent. However the Government faces a difficult ride to get it operational.

Development Land Tax

SUCH HAS been the criticism attracted by the Land Bill, in particular the new Development Land Tax that the Government is finding it increasingly difficult to draft practical legislation that would be generally accepted. In the event the Development Land Tax which originally was intended to be part of a Land Bill package has now been postponed. The Government still, however, hopes to get a White Paper out by the summer recess.

The Development Land Tax is designed to reduce the cost *of land acquisitions by the* local authorities during the transitional period of the Community Land Bill. The authorities would be buying land net of the tax that the vendor would normally be paying.

Initially the tax will be levied at 80 per cent. but it is anticipated that the rate will be progressively increased to 100 per cent. as the authorities build up their acquisitional programmes.

Development Land Tax in general will be charged on the difference between the disposal proceeds or market value with the benefit of planning permission for development where the charge is on the commencement of material development, and a base value which will be the highest of: (a) acquisition cost plus the cost of relevant improvements plus any increase in current use value since the date of acquisition, or April 6, 1965, if later: (b) current use value on disposal plus 10 per cent. plus the cost of relevant improvements: or (c) acquisition cost including improvements plus 10 per cent.

Structure

Allowances will be made for expenditure on costs of sales, etc., and alternatives (a) and (c) will not be available where the relevant acquisition was made before July 1, 1948.

The complicated structure of the Community Land Bill is bound to put severe strains on the local authorities. Indeed *many local authorities have* already expressed their doubts about administrative and technical competence as property developers. The Government argues that it will not mean big increases in staff but more redeployment: it is expected that when the Bill is fully operational a staff of about 13,000 will be needed of whom only 4,000 would be *professionally skilled.*

The Royal Institute of Chartered Surveyors feel that complication will be caused by assessing DLT centrally. In those areas where the local authorities employ their own valuers, at least four professional parties will be involved in valuations and assessments before the net figure payable can be determined. They state that the four parties involved would be: (i) the local *authority* valuer, *who will* negotiate the gross amount of compensation: (ii) the district valuer, who will presumably advise the DLT office on such matters as the appropriate figures to be adopted for base value; (iii) the DLT office which will make the assessment; and (iv) the vendor's surveyor.

The Institute further points out that in some cases the vendor's accountant will be involved and, if no agreement *is reached, the Lands Tribunal.* If the purchases cannot be completed before the exact amount of DLT is determined, the length of time between settlement of compensation and final payment could be unacceptable and discourage sales to authorities by agreement.

Few areas of the property world escape the implications of the DLT. The residential and the industrial commercial developer right down to the owner of office premises will all be affected.

It is generally felt the high level of tax proposed must eventually severely reduce the availability of development land on the market. The initial tax level of 80 per cent. is after all twice the rate at which the betterment levy was introduced under the Land Commission Act 1967. Land owners may well wait in the hope that a Conservative government is returned and the Bill abolished.

The lack of development land must hit the developer hard. Moreover the industrial developer will apparently be faced with a capital charge of *the DLT* at the commencement of his development, so that he will not only have to pay the tax but also carry the capital sum by a finance charge, or pay interest in respect of a deferred payment through the period of the development. This fact was stressed by Mr. Eric Davies, senior partner of G. L. Hearn and Partners, in a recent article. Higher costs on development must lead to higher rents.

The Association of British Chambers of Commerce paid special attention to this point since it felt that the payment of tax at the start of the development rather than on disposal would act as a further inhibiting force compared to the present system as tax will become payable before the benefits from the development accrue. They *hope* that the spreading provisions contained in the Finance Act 1974 relating to first lettings, will equally apply to the payment of DLT.

The industrialist will, however, get a certain amount of relief. The exemption from DLT will apply to almost all development for the industrial use of land and the erection of new industrial buildings and extensions to existing buildings. Relief, however, is limited to the time when the development is used for the industrialists' own use. Once disposed of, the property becomes liable to DLT. Given the *possibility of higher* rents it would therefore be more attractive for the industrialist to construct his own premises rather than re-rent space.

The industrialist will, however, find the popular sale and *lease back arrangement far less* attractive. In the past this proved a useful funding operation with the company selling the property, in most cases an insurance company or pension fund, and then leasing it back, thereby substantially improving liquid assets. If this transaction is carried out once the Bill is in force the vendor will immediately be deprived of the DLT relief.

Apart from the industrialist the few remaining exemptions are when the total value of disposals are less than £5,000 in any one year, when land is passed on, in the event of death, *or as an outright gift, and for* the owner occupier who sells or develops his sole or main residence. The latter point also applies to registered housing associations and charities.

Many other areas have of course yet to be clarified and it is this factor together with the growing arguments against DLT both in and out of Parliament that *is making is increasingly* difficult to draw up acceptable legislation. Clearly the Government is going to be faced with a difficult ride to get DLT operational.

David Wright

The Capital Transfer Tax to replace estate duty has had a hurried run through Parliament and has come in for fierce criticism and promise of repeal from the Conservatives. How it affects property owners.

Capital Transfer Tax

CAPITAL TRANFER Tax has been described by Mr. Denis Healey as "Perhaps the most important single change in tax policy since the war." Certainly it would appear to have been the most controversial seen for a *long* time with heated arguments both for and against its introduction and replacement of state duty.

Admittedly estate duty, which was introduced some 80 years ago with the object of taxing accumulated wealth as it passed on from one generation to another, had to an extent turned into a "voluntary" tax as elaborate schemes were set up to avoid payment. However, *there is a school of* thought that condemns the new tax as an ill-conceived instrument of social change rather than a serious effort to overcome the loopholes of estate duty. Its hurried course through Parliament has led to an insufficient airing of the factors involved, *it is claimed. The Government* counters with the view that circumstances prohibited a green paper and Parliamentary Select Committee before legislation was produced such as the wealth tax received. Anyhow, the Government feels that it has got it right in its main structure, although of course *amendments will be called for* in future years.

Whether one is in favour or against (or takes the view that the Conservatives if returned to power will repeal the tax as Mrs. Thatcher has indicated), for the time being is of little relevance; it is here as law so we will have to live with it. So how does this new tax work and what difference will it make to property assets?

Basically, on the understanding that there are many exceptions and exemptions, this new tax is levied on all "taxable *transfers*" *made from* March 27, 1974. The tax is on a cumulative total of all transfers with the death of the donor taken as the final transfer.

The first £15,000 of transfers is free of tax, while the next £5,000 is taxed at 10 per cent. (on the death of the donor) and from then on the rate rises *progressively to the highest* rate of 75 per cent. on transfers of over £2m. On transfers made during the donor's lifetime the rate of tax is half of the level that it would be on death up to £80,000. From that figure upwards the rates converge until transfers over £300,000 during lifetime are taxed at the same rate as transfers at death. These different rates only apply if the donor lives for over three years after the time of transfer, falling that the full rates become payable.

A couple more points with

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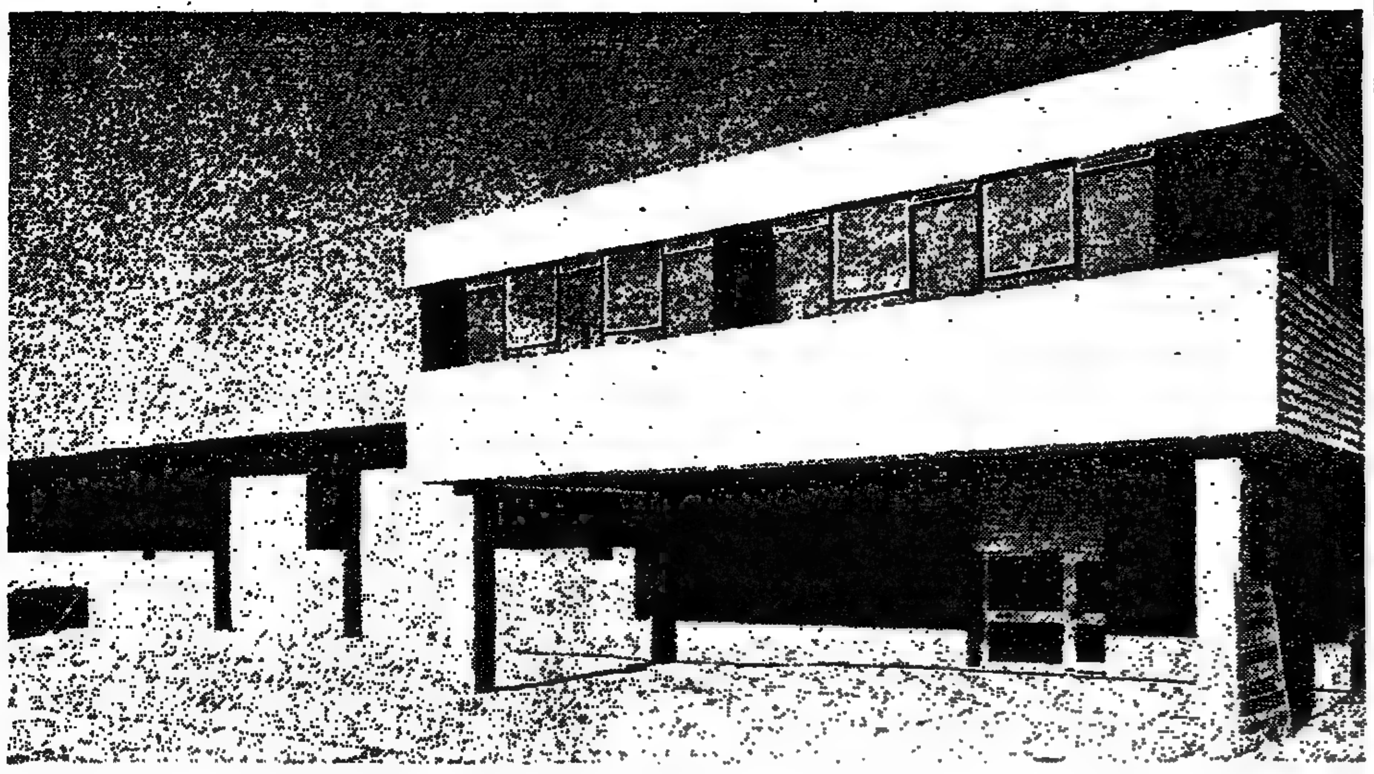


Glastwell Group development at Boreham Wood. The 16,000 sq. ft. factory has a 20 per cent. office content

The Community Land Bill, which is currently passing through Parliament, has been welcomed by most local authorities. Many recognise, however, that implementation of the new powers will impose a considerable strain on current resources.

Local authorities

IT WAS to be expected that the local authority associations would give the Community Land Bill a warm welcome when it appeared in March. Indeed, some authorities went so far as to tell Ministers that they were already prepared to take up their full duties under the second stage of the Bill's programme when councils would be obliged to acquire all development land. There may have been doubts about the proposed sharing of the net revenue arising from the Development Land Tax (or its equivalent in land purchase terms) between the Exchequer, the local authority concerned, and the pool for all local authorities as well as over the idea of a single land authority for Wales, especially from the Association of District Councils. There has also been a long list of suggestions from local authorities about particular detailed improvements in this or that aspect of the Bill's provisions. Nevertheless, it would have been churlish to say the least for local authorities in general to be grudging about the broad principles of legislation which would enhance their powers and role so dramatically and in so crucial an area.

The Bill is still in passage through Parliament and so final judgment cannot yet be made. But many local authority leaders, at both elected and official level, are already expressing private worries about the difficulties they may face. The wide new powers of planning and land acquisition will add appreciably to their manpower requirements, particularly in some of the skills which already command a premium, and will impose a major strain upon local government's traditional system of decision-taking. The financial gains could take a long time to come through and may well be appreciably smaller than has been suggested by the Government's own broad-brush figuring. The Bill will considerably widen the scope for rivalry and discord between the two tiers of local government, which, as from five weeks ago, now operate throughout the British mainland. And many local government leaders also suspect that the Bill's provisions will provide further opportunities for local autonomy to be bedevilled by central control with all that this can mean for local frustration and bureaucratic delay.

The basic trouble however, which some people in local government recognise, is that the Bill is too radical. There is now widespread acceptance for the view that the "community" should receive part or all of the benefit of increases in land values which arise from the granting of planning approvals. If the Bill had been limited to this concept, together with providing local authorities with an enhanced opportunity to participate in development on their own account, the measure might have had a chance of mustering bipartisan support at the political level and a readiness on the part of developers, professional specialists, and the financial institutions to try to make the exercise work.

Initiator

The Bill is much more ambitious than that, however. It is also designed to replace the present "negative approach" to planning by a positive one in which the local authority rather than the property developer will have the role of initiator and, indeed, entrepreneur. This might be understandable in terms of some aspects of Labour Party politics but the sensible approach to political change is to achieve step by step what might be generally acceptable at any particular time and thus to aim at what might presently be expected to endure. As the Fabians once argued, there is an inevitability about gradualness. As it is, the bold, controversial nature of the Government's proposals has promptly provoked a commitment from the Conservatives to repeal the whole measure, lock, stock, and barrel, at the first opportunity. In other words, the chances are that any arrangements made now to implement the Bill's provisions will have to be planned on the basis that they may be only temporary.

This inevitably will exacerbate the considerable administrative task the Bill will impose on local authorities. The Government's own estimate is that an additional 12,000 local authority staff will eventually be required in England and Scotland and a further 750 staff will be needed in Wales. This is not proportionately out of line with tentative calculations so far made by several individual authorities. But their figurings mostly assume that at least three-quarters of the extra requirement will consist of valuers, planners, and solicitors or conveyancing staff — categories which are all currently in short supply already.

But it is not only a question of recruiting the right people—on a permanent, temporary, or contractual basis. It is also a matter of evolving an administrative and decision-making system that matches the challenge of the new role and of developing a competence in site assembly, purchase, financing, and sale negotiation which hitherto has been apparent in the private sector but not, with due respect, among most local authorities. The local authority committee system, the patent lack of individual financial incentives, the absence of a need to approach decisions in an entrepreneurial — as distinct from a bureaucratic — manner, and the possibility of political dogma inhibiting a real partnership with existing financial and development skills in the private sector—all these factors make the auguries seem somewhat discouraging.

This is not the only worrying aspect. As Mr. Clifford Smith, chief executive of Suffolk County Council said at a recent RICS conference, the new powers for local authorities could constitute a threat to planning standards in view of the "temptation to have regard to the financial advantages." Even so these, as Mr. Kenneth Blessley, valuer and estate surveyor to the GLC, has remarked, "could well be a long time coming and in the meantime debt charges . . . will be rolling up to present us with a formidable figure on the red side of the ledger before we can even think about sharing any of the profit." Mr. Blessley also expressed concern about the possibility of central control—the need for which he thought would be generally accepted — resulting in the "whole mechanism grinding to a halt."

Tradition

It has to be said of course that these qualms are not universally held in local authorities, at official as well as at elected level. Nor is there any lack of a will, even among those who express doubts, to try to make the new system work. This, after all, is part of the local government tradition. But at this stage — and particularly in view of the present general economic situation of the country— the chances are that, even if the Bill gets to the statute book, the first stage during which local authorities may—but will not be obligated to — acquire development land will last for rather longer than some of the Bill's supporters currently envisage.

Colin Jones

Capital CONTINUED FROM PREVIOUS PAGE

CTT is that the tax payable is on the grossed up gift rather than the amount actually transferred, and secondly transfers between husband and wife are exempt.

Generally CTT is payable six months after the transfer took place, but in certain cases payment can be deferred for eight years and this is most important where it applies to owner-occupied houses which are retained in the family. Incidentally interest-free instalments are only allowable up to £250,000, for beyond that level interest is charged on the outstanding figures.

Having attempted to give the briefest of summaries on a complex piece of taxation, it may be worth mentioning that any serious student of the new tax should lay his hands on a book such as the guide produced by Robert Maas, ACA, of Stoy Hayward, which goes into the clauses of the tax in great depth.

Transferable

Anyhow, as regards residential property the value of the property would be taken into account for transferable purposes and the tax levied in the way described. But there is the important point of the eight-year time period for payment which may apply to the beneficiary. However, if your family home happens to be part of the "national heritage" CTT tax will not become payable as long as the premises remain open to the public. Unfortunately not many of us have stately homes.

It was obvious to see that CTT could have borne heavily on say a fairly small family business, but the concession of paying over eight years interest free has been extended to business assets as well. This can save the beneficiary of the transfer from the need of selling the assets of the business in order to meet tax payments. For example if a man built up a business from nothing in 1965 to £250,000 and handed it on to his son three years before his death, capital gains tax and CTT would be payable of £75,000 and £40,750 respectively. But because the interest free deferral of payment applies to both taxes, assuming the son agrees to take on the tax liability, he should be able to keep the business intact without selling off property assets.

Agriculture is of rather a different nature, and the Government recognised that a farmer would be faced with special problems if he had to pay full CTT on the transfer of his farm land, where the value of the land bears no real relationship to its yield. As the legislation stood without concessions CTT would have the effect of leading to smaller and smaller farm holdings as land was sold off to meet taxation debts which could in no manner be financed out of profit yielded by working that land. It was with this in mind that concessions to working farmers have been made although some still fear that the tax is a threat to farming.

The relief to full time working farmers is that the value of agricultural land will be reduced to 20 times its rental value, but the following conditions must apply before relief can be applied. First it must be agricultural property in the U.K., and this is spread to cover any woodlands occupied, where the occupation of the woodlands is ancillary to the agricultural land, and cottages and farmhouses. Secondly the farmer must have been wholly or mainly engaged in farming for at least five out of the preceding seven years prior to the transfer and three quarters of his income was derived from agriculture.

Limits

The relief is subject to the overriding limits that the value of the land does not exceed £250,000 or 1,000 acres, whichever provides the greater relief.

Critics point out that relief is precluded from the larger farms, which are often more efficient and have been encouraged by the Ministry of Agriculture by its policy of amalgamation. Also tenant farmers often lack the finance to become owner-occupiers and to a large extent rely on their landlords for capital to pay for improvements. Under CTT there seems little encouragement for non-working farmers or landowners to sink finance into their land, and so an increasing fragmentation of farm holdings would seem to be the fate of the industry.

The omission of any relief for land owners would seem to be hitting back at the practice under estate duty rules of purchasing agricultural land late in life with the intention of avoiding taxes. This is justified, but to keep up investment in farming some sort of concession to landowners would seem most desirable, perhaps with the proviso that the land had to be held so many years before transfer.

Furthermore, the fixing of £250,000 limit to the size of the farm qualifying for relief would seem to be damaging in the long term, discouraging larger farms, and in inflationary times bringing more and more farms into the higher tax nets.

Fortunately the Government has given up CTT on forestry for all but the last death before the timber is felled. As legislation stood, CTT would have been payable on the same trees several times over before they became a saleable asset because of the sheer length of time involved in bringing forestry to maturity. One drawback to the new concessions is that CTT is calculated not on the value of the transfer before felling but on the value at the time of felling.

Still, large changes to the legislation such as the one on forestry illustrates the Government's willingness to formulate a sensible tax structure, so there may be hope for further amendments to farming assets yet.

Terry Garrett

Planning delays are a serious cause of concern to property developers. New measures to speed things up are under consideration, but even these, say the developers, would not make much difference. However, the Community Land Bill will alter many of the criteria on which decisions are based.

Planning controls

Northampton Lodge, an 18th-century building in Canonbury Square, Islington, restored and converted for office use under the direction of the local architectural partnership of Sir Basil Spence.

PLANNING IS one of the occupational hazards of the property world, but unlike most hazards that one can guard against, this one is unavoidable. Few people object to the basic principle that there have to be certain controls over what is built and where it is built, for one does not want to see office towers all over the South Downs or bungalows all over the Lake District. But a matter of public concern is the unnecessary delays in planning.

Most of the time spent from the inception to the completion of a development project is not spent constructively, but is wasted in waiting for local or central Government to make up its mind. Much of the rest is spent in arguing over details, which it could be argued, ought *not to be the concern of laymen.*

The cost implications of such delays are enormous. If a £1m. project is delayed for a year, which is nothing unusual, that can add £120,000 or more in interest charges to the total bill, plus perhaps another £25,000 in fighting a public inquiry. In addition, by its delay, the local authority deprives its ratepayers of the rateable income from the development, which could be £50,000 a year.

Scandalous stories of planning delays and unreasonable conditions are legion in the property world, but few of them become widely known. However, there are signs that people are becoming more aware of their right to protest, though many do not yet know of the existence of their local Ombudsman. Under the Local Government Act 1974, a Commission for Local Administration in England was set up to investigate complaints of maladministration by local authorities. A similar Commission for Wales has also been set. These local commissioners are quite distinct from the Parliamentary Commissioner, whose duty is to investigate complaints about Government departments.

Since it was set up over a year ago, the English commission alone has received about 800 complaints, and more are coming in at the rate of 60 a week. Some have had to be referred back because they have not been made through a local councillor as the law requires. Others have had to be rejected because the alleged maladministration occurred before April 1, 1974, the starting date for the commission's work.

That still leaves 267 cases at various stages of investigation, and the majority of these concern planning. In the first 20 cases on which the commission has so far reported, maladministration was found in 11. Only one of these concerned a delay in planning, and this was a matter of a planning permission that took four months to obtain, which tends to support the belief that it is only the large development schemes that are subject to extraordinary delays. However, paragraph 7 of the Town and Country Planning General Development Order 1973 says: "The period within which a local planning authority shall give notice to an applicant of their decision shall be two months." According to a survey by the Department of the Environment only about 50 per cent. of all planning applications are decided within this statutory period, and most of these are for trivial matters.

Review

In an attempt to find ways of streamlining the planning machine and in order to obtain decisions more quickly, the Secretary of State for the Environment appointed Mr. George Dobry, QC, to undertake a one-man review of the development control system. His final report was published in February this year, but although it was welcomed with ill-concealed rapture by the property industry, it really offers little prospect that the present delays will be reduced, whether or not its proposals are overtaken by the Community Land Bill.

Notwithstanding the fact that only half the 400,000 or so planning applications a year are decided within the present statutory period of two months, the Dobry report proposes that the time limit should be reduced to six weeks for minor applications. On the other hand, for the more complicated applications, Dobry proposes that the time limit should be extended to three months, or even six months in cases where it is thought necessary to have a special "impact study."

Potentially the most encouraging feature of Dobry's proposals is that the estimated 70 per cent. of all planning applications that would fall in the category of minor would be deemed to have been given consent if the local authority had not issued a decision within the six-week time-limit. But *this is less attractive than it* seems, because the suggestion has not been received with much enthusiasm by the local authorities, and it is certain that most of them would issue a refusal instead of allowing a deemed consent to arise.

This would put the onus on the applicant to appeal to the Department of the Environment, who already take more than a year to hear the 12,000 or so appeals that arise because property owners are aggrieved at being refused planning permission or because the local authority has failed to issue a decision within the statutory two months. If there are more appeals, they will simply take longer to decide.

The Government has been fairly non-committal about the Dobry report, because it has since published the Community Land Bill, which will substantially alter the whole basis of planning and development in Britain. However, it would be a mistake to think that the Bill makes Dobry's recommendations superfluous, *for when* bureaucrats become developers it will be even more important that planning delays should be kept to a minimum, for it will then be the taxpayers' and ratepayers' money at *stake*, even more so than now.

Quickly

When the Community Land Bill first becomes law, local authorities will still be required to deal with applications for planning permission, and at the same time they will have to decide whether or not they intend to acquire the land that is the subject of the application. Later, when the Secretary of State for the Environment makes an order under section 20 of the Act, local authorities will have a duty to acquire land for specified classes of development in all or parts of their areas, so there will still be a need for basic planning decisions to be taken quickly.

The trouble is that there is *little reason to suppose that* local authorities who cannot make decisions in a reasonable time at the moment will be any better in the future, except that they will have a direct financial incentive under the Community Land Bill. But where the Bill goes wrong is in assuming that all local authorities recognise the need to ensure that the right development will be encouraged in the right place at the right time.

Some local authorities are almost totally opposed to new development, and many see desirable development solely in terms of houses, schools, shops and factories, having little sympathy for offices or hotels. But even when they have acquired all the land that is likely to be needed for development within the next ten years, they are not going to be able to develop it *all themselves, so there will be* a need to use outside agencies, and inevitably all the present problems of aesthetic control will be perpetuated.

George Dobry shied away *from the problem of aesthetic* control in his final report, though it looked at the interim stage as though he was prepared to tackle it. Whatever the virtues of aesthetic control, or *architectural* censorship, the fact remains that a planning officer can never design a masterpiece—all he can do is to prevent one being built. As Dobry himself admitted: "Perhaps the greatest defect of planning control is its failure to identify its own failings."

Michael Hanson

The system of regional incentives designed to create jobs in areas where they are most needed is a policy that has worked well in the past but which at present, during a recession, is proving less successful.

Regional incentives

FOR a good many years British Governments have followed a consistent policy of attempting *to manage the distribution* of people and jobs. When the concept of the European "golden triangle" of activity—formed roughly between the South East of England, Paris, and the Ruhr—became popular in the sixties the government of the day reacted energetically to a feared drift of people to the South of England by redoubling its efforts to keep a happy, prosperous, and fully employed workforce in the north and west of the nation. This triangle has lost some of its sparkle recently but *the present Government is no* less conscious than its predecessors of a heavy responsibility to avoid an imbalance of relative prosperity between London and the South East on the one hand and the rest of Britain on the other.

The trouble is that all the devices that have been developed and honed to fine pitch in order to preserve the quality of life in, say, Teesside or Plymouth against the pull of the London area happen to work best in times of national boom. Given an economic recession as now, they either falter along or fail to work at all.

During the past year the Government has paid out some £200m. on regional development grants for plant, machinery, and buildings; has spent upwards of £20m. on advance factories in the regions to entice in new industry; and has helped the regions with some £30m. in selective assistance to industry there, and some £200m. in regional employment premiums.

Few would seriously criticise that expenditure, for without it undoubtedly there would have been serious unemployment before now in some parts of the country where the industrial infrastructure needs massive replacement; and pockets of hardship in other areas where transitions are taking place between one form of industrial activity and another. Yet a growing proportion of the regional aid has been going to help existing companies develop or maintain their positions rather than paving the way for the arrival of new industrial and commercial activity.

The weakness of offering financial carrots to persuade industry to relocate is showing itself now—as it has shown itself in the past in other recessions. The policy is dependent on the wish of industry and commerce to expand, build new plants, move into new offices. When industry and commerce *marks time so to a large extent* does the Government's policy for achieving balanced growth.

Sunlight

As the economic storm clouds have gathered, few of the northern and western areas of Britain can claim to have had a good year in terms of promoting new job opportunities. However, there are some shafts of *sunlight. The gentler, post-Benn* version of the forthcoming Industry Bill which is now expected to emerge could be capable of giving a stimulus to regional development. The National Enterprise Board is being charged with a special responsibility to bear in mind the needs of the areas of ageing industry and high unemployment. Scotland and Wales, nations with peculiar and intractable legacies of industrial decline, will each be helped by their own Development Agencies under the Industry Act.

Britain's recent vote in favour of Common Market membership is also certain to be reflected by a rising tide of cash from various European sources for development in the regions. Well before the referendum Scottish and Welsh interests were sounding out such agencies as the European Investment Bank and the European Coal and Steel Community Fund to see how they would stand for future direct loans, thus by-passing Whitehall. The European regional fund itself will from this year produce a rising curve of investment in projects in the areas of high unemployment in Britain.

Even before the referendum was held European sources were involved in regular and growing financial operations in Britain. The European Investment Bank has lent for a wide range of investment in Britain ranging from a Thames tunnel and a whisky plant to new power stations and development of *coal mines. The steel industry* has also benefited from a stream of ECSC grants and loans.

The old problem of avoiding stagnation in the British regions during recession has been given a new twist too by the North Sea oil boom. The very Scottish areas in parts of the Lowlands and the East Coast which would have been causing acute concern in previous economic cycles are *now* being geared up rapidly to this new industry. The North East, the North West, and Yorkshire and Humberside, are also benefiting directly and indirectly from the oil rush, although to a much lesser extent than Scotland.

The most successful innovation in the regional strategy during the past few years had undoubtedly been the new willingness of companies to move their management, clerical and computing activities away from the London area. Candid spokesmen in the regions will now say they value one office block as worth two factories with comparable numbers of jobs.

They have woken up to the fact that industry alone produces a distorted and vulnerable economy for a township or a region. Only by a wider range of job opportunities will young people and talented people be checked from drifting away towards future "golden triangles." The new trend has already gone a long way. The Local Offices Bureau which has done a good job encouraging the movement now finds that for the first time since it set up shop employers are actually finding it difficult to attract bright young executive material into work in the London area. The problems involved in setting up house in the South East are so enormous that such talent has become more interested in a home and a job in the provinces.

The cities and towns which have established themselves as *new office centres round Britain* have no reason to regret their decision. Although there is now some 19m. square feet of office space throughout the country the forecasts are that within a year or two it will not be enough. Meanwhile, the differential between the costs of operating offices in London and elsewhere is still growing apace. In 1963 LOB was quoting a differential of £250 a year between the cost of employing and accommodating an office worker in London compared with the provinces. That differential is £2,600 and still rising.

Differential

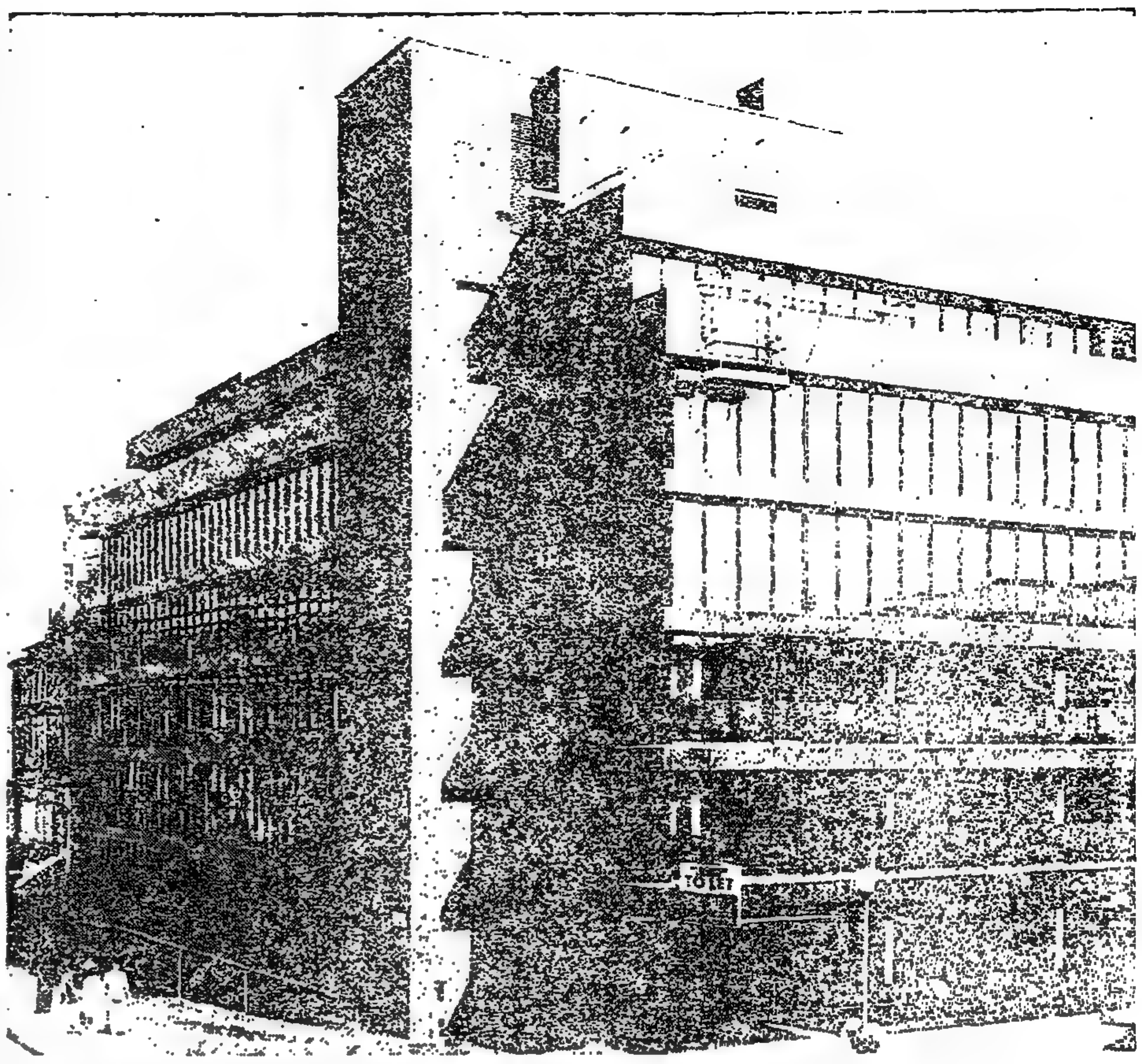
Although the big cost differential is well enough known the knowledge is not helping some small companies caught in the high cost areas of London and the South East. Because of cash flow problems a number of them which would willingly decentralise simply cannot do so, *even with the help of the* Government grants now available for commercial moves.

The new towns and the expanding towns are in the van of the continuing policies for the redistribution of jobs and people in an equitable manner throughout Britain. Unfortunately they are always early sufferers in any clamp-down on government spending and this year is no exception. Their ability to be flexible in their growth plans is likely to be tested severely before they can get back into full stride.

Roy Hodson
Regions Editor

The role of the ratepayer as a source of finance for local government is coming under close scrutiny. In particular the sharp rise in business rates is causing concern.

The rate burden



Northstar House, Holloway Road, Islington, a 32,000-square-foot block let to the Inner London Education Authority at £160,000 a year, representing an initial yield of 7 per cent. to the Coal Board Pension Fund when they bought it late last year.

THE PROBLEM of local government finance in general and of the future of the local rates in particular has been given a good airing in recent months. But the discussion has tended to focus on the position of the household ratepayer and on the role of local government in an economy where overall responsibility for demand management must inevitably lie with the Government at Westminster. Outside the business and property worlds, the impact of the present system upon the business ratepayer has hardly been debated at all.

This is presumably because it is generally assumed that the business ratepayer—who in any case can charge rates as an expense in calculating his tax liability—is in a position to pass the post-tax cost of his rate demand on to his customers. In most cases, this is no doubt so. But there are a large number of small businesses, including many of those providing specialised services in the City of London and in other city centres, who operate largely on fixed margins and who have been placed in considerable difficulty. Indeed, there are some offices in the City where rates now exceed 40 per cent. of the exclusive rental cost.

Two other factors need also to be borne in mind. In the first place, while it may be true that old traditional disciplinary system of "no taxation without representation" still nominally operates for household ratepayers, it is now over a quarter of a century since the business vote was abolished. Indeed, the business ratepayer nowadays contributes rather more to the cost of local services than the householder: the latest figures show that the business ratepayer directly provides, through rates, just over a tenth of the total while the householder pays just under a tenth.

Secondly, whereas the householder has for the last nine years been partially shielded from the full soaring cost of local government by the "domestic ratepayers" relief element of the Government rate support grant, the business ratepayer receives no such protection. This de facto "super-rating" of business has now reached the point where the domestic ratepayer is effectively de-rated by about a quarter as compared with the businessmen. This is one reason why business rates have on average, throughout the country, doubled in the last three years while domestic rates have risen — again on average—by about 85 per cent.

In some areas, the increase in business rates has been far higher. In the City of London, for example, the business rate call has risen more than fourfold in the last three years. There are several reasons for these wide variations. One was the reorganisation of local government last year, which not only led to an unprecedented upsurge in administrative and other costs but also grouped ratepayers previously paying relatively low (or high) rate calls with others who had been accustomed to much higher (or lower) imposts. Then there were the effects of the change in the distribution of Government grant as between different authorities, largely to the (admittedly belated) benefit of the older cities and at the expense of suburban and rural areas.

Revaluation

Thirdly, and in some instances of crucial importance, there was the impact of the 1973 revaluation of property rateable values. This was only the fifth "quinquennial" revaluation since Parliament passed a law requiring five-yearly revaluations in 1926 and the first since before the 1939-1945 war in which all classes of property, other than agricultural and Crown holdings, were revalued at their full current market rental. The revaluation had a dramatic impact upon the share of the rates burden borne by different categories of property and, in Greater London, this in turn had an even more substantial effect on first, the City of London and Westminster portions of the GLC and ILEA rate precepts and, secondly, on the pooling arrangements devised under the London Rate Equalisation Scheme. Indeed, the new "equalisation" formula has provoked the City and Westminster into accusing the other London boroughs of treating them as "milch cows."

But, while these points help to explain changes in the incidence of the rates burden as between different classes of property and different areas, they do not go to the root of the "rates problem." The basic factor has been the rate at which local government spending has been growing. Up to a point growth is understandable. In every country as it grows more affluent more will be spent upon services instead of goods and more of that proportionately greater expenditure on services will be devoted to the kind of services which local government provides. This is why local government spending has been rising faster than the national income for well over 100 years. Between the beginning of this century and the mid-1950's the proportion of GNP absorbed by local government spending on current and capital account almost doubled from about 6 per cent. to about 10 per cent.

But in the last 20 years the relative rate of growth has accelerated to about double the rate of increase in GNP and in the last three years or so the rate of increase has been about three times faster than GNP. This year local authorities will be spending about 18-19 per cent. of GNP and their expenditure shows every indication of being "out of control." Even before the May and December 1973 "cuts" in public spending, the programmed increase in real local current spending in 1974-75 was put at 6 per cent. whereas in the event the increase has turned out to be nearer 10 per cent.; while for the present year an increase of between 6 per cent. and 9 per cent. seems likely as against the Government's call for one of 4 per cent. to allow for "inescapable" on-going commitments. The chances of the 1976-77 increase being limited to 1½ per cent., the figure the Chancellor laid down in his April 1975 budget, can thus hardly be said to be encouraging.

Rapid real growth is only one factor, however. The other is inflation. Even if local authorities were conceding increases in pay no greater than the national average, their costs would be rising faster than in the private sector simply because so large a part of their total expenditure consists of payroll costs. The trouble is that real growth higher than that laid down by the Government when fixing each year's rate support grant, coupled with a higher rate of cost inflation (the "relative price effect" in to-day's jargon), has a dramatic gearing effect upon local rate calls—and the greater the proportion of local spending which is met by Government grant, the greater the gearing effect of an over-run.

Amounts

Worse still, if average domestic rates calls are to be kept to a more or less constant proportion of personal income—which has been broadly the aim for several decades now (and, despite "super-rating," business rate calls are broadly related to the domestic rate-call)—then the grants ratio has to be increased by larger and larger amounts each year, which in turn makes the impact of each over-run correspondingly greater. And so on.

Clearly, major changes will have to be made in the present system. At heart, they will involve the relationship between local and central government. There is an unresolved conflict between the idea of local autonomy, to which at least lip service is still paid, and central responsibility for demand management. This conflict will continue so long as local authorities retain their own independent tax-raising powers and certainly as long as local councils are given little incentive to consider what may be economically prudent as well as what, in their view, may be socially and politically desirable.

But fundamental changes will have to await the report of the Layfield committee at the end of this year and even then several years may pass before legislation ensues from the committee's recommendations or, more probably, from a mix of Layfield and Whitehall's own ideas. In the meantime, something more urgent is required. The Government's own ideas—in so far as they have yet been revealed—centre on limiting next year's real increase in local current spending to 1½ per cent. and, if this year's increase proves to be greater than the desired 4 per cent., then next year's limit will be 1½ per cent. above what should have been spent this year rather than 1½ per cent. above what was actually spent. This in itself will be a welcome innovation. In the past each year's grant settlement has wiped out all previous spending restrictions: the basis of the new calculation has been the previous year's actual, rather than required, spending. But in present circumstances an even stiffer requirement might be called for—such as a cash limit with no subsequent adjustment for inflation. Local authorities would then have to choose between accepting the new limitation and putting up their rate calls by an amount that could make previous increases seem trivial—just before next year's local elections.

Colin Jones

Investment activity in the office sector has been at a low level during the past 18 months and has only just shown signs of picking up. There is still little interest in financing speculative new projects.

Office investment

INSTITUTIONAL demand for office investments has revived considerably over the past six months, following the low level of activity throughout most of last year. However, there has not yet been any corresponding recovery in the funding market for new development projects, and even the largest and most well-placed companies have found it virtually impossible to finance new schemes, apart from a few isolated cases. These contrasting trends highlight many of the wider influences at work in the property sector as a whole in the past 12 to 18 months.

In this period the investment scene has been dominated by the two factors of interest rates and the Government's business rent policy. Thus the investment yield for a prime rack-rented office block rose from a low point of about 4.25 to 4.5 per cent. in the late autumn of 1973 following the sharp jump in interest rates in late November. And prime yields drifted upwards throughout almost the whole of last year—occasionally attempting for a few weeks unsuccessfully to stabilise—before reaching a level of 7.5 to 8 per cent. in early December for even the best located office investments.

Squeeze

This big jump to levels seldom touched since the end of the last war reflected a transformation of the investment scene from a hectic seller's market in the autumn of 1973 to a situation where buyers had more choice than for more than a decade. The financial squeeze, secondary banking crisis and consequent pressure on the many property companies which had borrowed heavily to expand rapidly in 1971-73 all combined to push large amounts of property on to the market.

This trend inevitably made institutions more selective and reluctant to reach decisions, especially when they felt—in a partly self-fulfilling process—that yields would drop even further. The caution was also reinforced by the considerable uncertainty about what rate of rental growth would be allowed by the Government—especially following Labour's decision to prolong the business rents freeze for 12 months beyond the date originally intended.

Although there were repeated assurances by ministers that there was no plan to introduce longer term controls, many property men and institutions remained extremely sceptical. The result was that investment activity remained at a low level—making valuation very nearly impossible and aggravating the problems of those companies which wished to sell properties to ease their liquidity problems.

Those sales which did occur were mainly small—up to the £3m. mark in most cases—and almost solely included rack-rented "clean" buildings, fully let to good covenants in top positions—in other words the first rank of investments with no problems at all. There was practically no demand for reversionary properties because of the uncertainty about rent control.

Typical of those deals agreed last year was the sale by English Property Corporation of Northstar House, a new 32,000 square feet development in Holloway Road in North London. The building, which had just been completed and let to the Inner London Education Authority, was sold for a yield of around 7 per cent.—about the average prime rate in the late autumn—and the buyer was the Coal Board pension fund. The big nationalised industry pension funds tended to be far more in the market than, say, the insurance companies for most of last year.

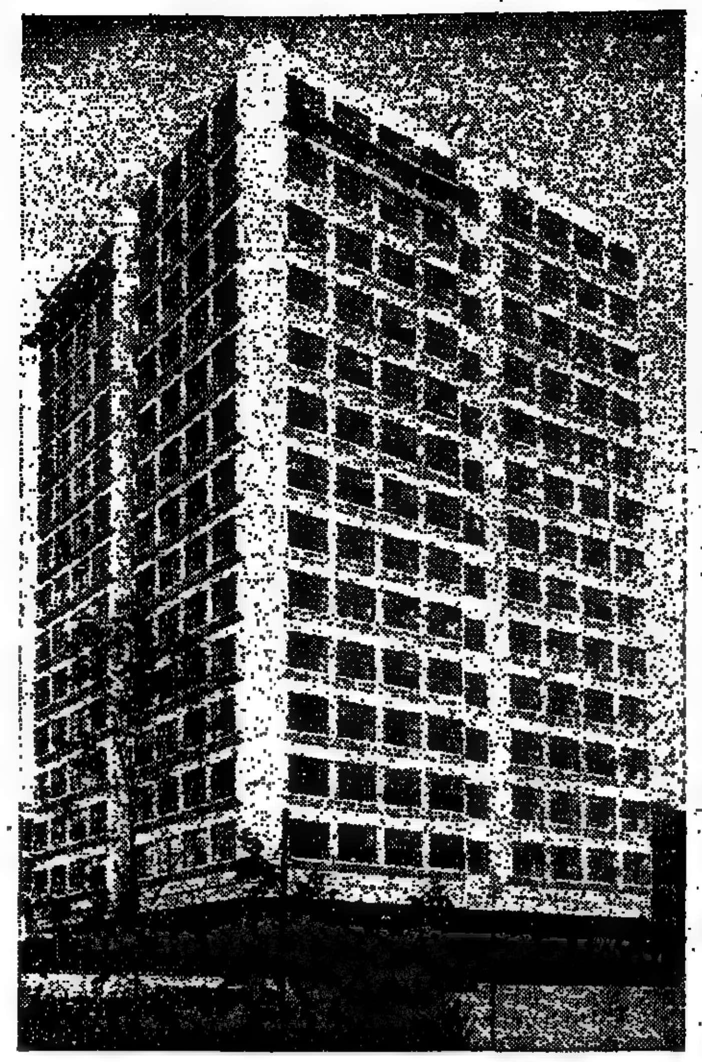
Among the few very large deals agreed was the sale of an 80 per cent. interest in the Commercial Union head office building in the City of London in two deals to a group of large U.K. pension funds and to the Abu Dhabi Investment Board. Other large deals last year tended to involve the sale of buildings to adjoining landowners, as happened with the National Westminster Bank's purchase of the former Lazard's building in the City, or the purchase by a tenant of a leasehold interest, as happened in the case of Lloyds Bank's purchase of the main leasehold interest of the office building above Cannon Street station.

This general pattern in the investment market continued until the end of last year. The increasing problems this was causing both for property companies and banks were clearly one of the main factors leading to the change in policy on business rents. In announcing the change, Mr. Anthony Crosland, the Environment Secretary, said "a healthy market in commercial property is necessary for the achievement of the Government's social and economic objectives" and pointed to the large amounts of savings and pension money which depended on income from commercial property.

The decision to end the freeze in February did not lead to an immediate revival in the property market. It took several weeks for confidence to recover and for changes in policy of investment committees to percolate through to buying decisions. The pick up in the market was also linked to the recovery in the stock market to the extent that institutions now became more willing to accept yields of 7.75 to 8 per cent., when equity yields had fallen to below this level.

The revival became more marked by April and early May when both Jones Lang Wootton and Richard Ellis came out with generally bullish reports on the state of the investment market, though they were markedly less optimistic over the short term about rental prospects in London. The Jones Lang report emphasised, for example, that interest was still confined to freehold buildings, well designed and located, fully developed and let to good tenants. On office schemes, the agent reckons that prime rates have fallen by a quarter to half a point to around 7.25 to 7.5 per cent. with most investment interest still in the bracket of £200,000 to £2m.

The slow revival of the market was also underlined in the Richard Ellis report which noted, in particular, the greater appeal of prime provincial and suburban offices, where yields have, in fact, throughout this year been marginally lower than in central London. This highlights a trend which began to be noticeable in the second half of 1974 when some institutions became more wary of buying investments in central London because of the uncertainty about rent levels—fully borne out by the falls of 25 to 30 per cent. in many cases over the last year. These investors switched their emphasis to suburban and provincial offices on the view that there was less downside risk in the rents there—partly because the sheer pressure of building costs would keep rents at a reasonably high level there but also because of a reduced supply resulting from a lack of development activity.



A recent shop and office development by the Westmoreland Properties Group at Charing Cross, Glasgow.

Rented

The current position is that there has been a drop of perhaps three-quarters of a point to a point in prime rates since the beginning of this year, but demand is still concentrated on small prime rack rented buildings and the reversionary market has been slow to revive—partly reflecting a desire to have a good income return now, rather than later, and also because of lingering doubts about rent control. There is also very little demand at present for the many secondary properties on the market.

The increase in the amount of money available for investment was illustrated by Andrew Huntley of Richard Ellis six weeks ago when he said that while his firm had about £15m. to invest on behalf of clients at the end of May it had £22m. to £25m. in mid-May.

Yields

A shortage of suitable first class properties may appear if this demand continues and the increased competition for the best investments explains some of the fall in yields so far this year. But few expect yields to decline very far because of the fall in rents in London and more general recessionary uncertainties.

Although the worst appears to be over in the office investment market, the same cannot be said of the funding scene where activity remains at a very low level. Few new projects have been financed by institutions over the past year unless there is an absolutely solid pre-let. This is explained by the same factors which have held back developers — spiralling building costs coupled with a weak letting market and uncertain rents which have undermined projections of returns. This has been allied with the more general doubts created by the Government's development gains tax and its proposals to takeover development land.

The consequent cutback in development activity is only partly apparent now but will become all too clear in a couple of years' time when a shortage of space could develop in certain areas. And although the period of stability in City rents could be somewhat longer than the 12 to 18 months, which leading firms of agents are at present talking about, the investment market is undoubtedly watching closely for any signs of a halt to the downward movement in rents.

Peter Riddell

Office rents in central London have shown little or no increase recently. But they remain at a high level and have undoubtedly contributed to a steady migration of firms to provincial centres.

Office rents

WHEN ITS annual report for 1974-75 is published early next month, it may be seen whether the Location of Offices Bureau has achieved its target of an annual dispersal of 15,000 jobs from central London. In the previous year, 1973-74, LOB advised 217 firms on the decentralisation of 14,715 jobs, and it knew of 60 firms that had definitely decided to move 24,680 jobs out of central London, but it remains to be seen how many of these managed to do so last year.

As LOB is only responsible for advising on about half the total dispersal of jobs, the rest being undertaken by Government departments and large firms on their own initiative, it is a reasonable estimate that the number of office jobs being moved out of central London is now running at an annual rate of at least 30,000 a year.

The reason for this flight to the suburbs and the provinces is still the high level of rents demanded in central London and, even though those rents now seem to be falling back, the higher rates that are levied on commercial premises in the City of London.

In any analysis of office rents, it is necessary to generalise, so that when one talks of rents in the City of London being £20 per square foot, one is referring to new, air-conditioned blocks of upwards of 20,000 square feet in the prime location of the EC3 postal district. These rents are still being demanded, though it is unlikely that they are being obtained. Tenants know that they are in a buyer's market at the moment, and it is not unusual for them to offer 20 per cent. less than the asking rent and to find they are invited to begin serious negotiations.

Greater

But there are signs that a recovery of the City office market is on the way. Agents are reporting a much greater volume of inquiries, and many of the apparently empty offices are already under offer, though it may take another three months or more before the effect of this is seen in the statistics of vacant offices published by two leading firms of City surveyors, Debenham Tewson and Chinnocks, and Richard Saunders and Partners.

Ian Lerner, a partner in the City office of Allsop and Co., says: "The market is very confused at the moment. People are not sure how rents are going. The market in the City went down with a bang last year, but I have been surprised by the amount of activity in recent weeks. There will always be firms who want or need to be in the City."

What is holding the recovery of the market back at the moment is the number of firms who have decided they no longer want or need to be in the City. They may be occupying space for which they paid only £5 or £6 per square foot a few years ago, and they see the prospect of a rent review that will take their rent to perhaps £15 per square foot in to-day's market.

If they still have a year or two of their present lease to run before the rent review, they may be tempted to move out of the City and take a profit rent on their space, which would more than pay for their move. If they cannot find a taker at £15 per square foot, they may be tempted to knock the rent down to £12 or even £10 per square foot, which would still show them a profit.

This is what has depressed the City office market in the past year or so, although if the rent is pitched too low, potential tenants are often discouraged by the thought that something must be wrong with the property. So there is an incentive for landlords to maintain the level of rents they are seeking and to leave potential tenants to make the offers.

If, as seems likely, the fall in City rents has stopped, the same cannot be said of rents in the West End of London. Here the office market now seems to be experiencing the slump that the City felt last year, and West End agents are less optimistic about prospects for the next year than their colleagues in the City. This may be because rents in the West End had risen to unjustifiably high levels, sometimes rivalling those of prime locations in the City, and now have to fall back to something more like their traditional differential, which is a rent of perhaps 60 per cent. of a comparable building in the City.

Outside London, most office rents have held firm for the past year, though in one or two towns and cities where there is an over-supply of new offices it has almost got to the stage where any reasonable offer would be considered. In Leicester, for example, which has become notorious for the amount of vacant office space on the market, rents for new offices over 20,000 square feet are now lower than in almost any other city in Britain.

There is at present 644,000 square feet of unlet offices in Leicester, with another 362,000 square feet currently under construction and planning permissions given for another 966,000 square feet. Typical rents for new offices of 20,000 square feet and over are anything from £1.75 per square foot down to as little as 90p per square foot. Why Leicester is having such difficulty in letting its offices no one knows, but it is not that the Location of Offices Bureau do anything to discourage firms from considering it, as some local councillors like to suggest.

Grants

A more convincing explanation is that Leicester is too far for most firms to move without the incentive of the relocation grants that are payable for moves to the Development Areas. After all, Leicester is 1 hour 24 minutes journey time from St. Pancras, and this is considered too far by firms who wish to decentralise but to be within easy reach of London.

A glance at British Rail's map of what it likes to call the Overground shows why some decentralised locations are more popular than others. Croydon is only 17 minutes from London, Reading 33 minutes, Colchester 51 minutes, and even Southampton and Ipswich are only 1 hour 10 minutes from the main line termini in London.

Rents for new offices in Croydon have now passed the £7.50 mark, mainly because there has been an almost complete ban on new building since 1971 by the Department of the Environment and the Greater London Council. Mr. Raymond Green, the local partner of chartered surveyors Jones Lang Wootton, confirms that there has been hardly any new office space on the market in central Croydon for the past two or three years, and very few re-lettings of anything over 15,000 square feet.

The last major letting in Croydon was that of Quest House, a replacement of an existing office building of about 40,000 square feet, which was let last autumn by Allsop and Co., acting jointly with Sinclair Goldsmith, at a rent of £7.64 per square foot, the highest rent yet achieved for a new office building in Croydon. The takers were the Property Services Agency of the Department of the Environment, who are still the major potential tenant for any large new office building in Britain.

When one goes further out than Croydon, rents start to fall, but not by all that much for the most popular locations. Rents of just under £6 per square foot are being asked for new offices in Reading, for example, and even in Bournemouth and Southampton they can be as high as £4 per square foot.

Apart from proximity to London, however, the other factors that determine rents are the quality of the environment, the availability of labour, the road and rail links with other parts of Britain, and the amount of unlet space that is on the market at any given time. But above all, the rent that any office can command is governed by the demand, and the political and economic uncertainties of the past year have depressed demand throughout Britain. This is why at the present time the Location of Offices Bureau has on its register nearly 19m. square feet of office space that is available for letting. This cannot all be taken by firms decentralising from London, though it is an interesting coincidence that if 30,000 jobs a year are leaving central London, that creates a demand for at least 3m. square feet of office space, which is about the amount that is currently available in and around the City of London.

Michael Hanson

هكذا من الأصل

The time when a burst of private development activity could shape our city centres in a profound way, is probably over. Office planning is now firmly in the hands of local and central government with the emphasis on spin-offs for the community and promotion of environmental standards.

Office planning

: MAIN FACTORS govern- office planning from now will derive more from ral or local government sions than from any burst ıctivity within the private ır.

ivate sector activity is con- ed, wherever possible, with market forces; these have ntly taken a heavy pound- and have forced many com- es—and office developers— decentralise from London other large towns for the of their costs and profits. ıgh this has come about ıly for disquieting economic ɔns (office development in lon and the South East is strictly controlled as part basic planning policy) it ɪens to coincide with ernment planning wishes.

ıe Government's planning ies are, more altruistically, erned with relating jobs to ıle and with available hous- needs according to area. also have to apply en- ımental factors in that an -built or under-built en- ıment brings its own rate problems and hitherto development has taken mainly in certain areas. long this has been pre- inantly the South East. erly, it has been the South t, Bristol and Swindon, with new towns and the cities of ester and Peterborough ıing up.

sing London costs, Govern- t encouragement and the ıntages of decentralisation brought about this stage evelopment, but this has left r areas comparatively ly off, usually those with apparent attraction, or ch are more than 150 miles ı London. In certain areas er-development has reached itical stage.

ıis has forced central ernment to influence or con- the private sector to an recedented degree, in the ry that by exerting such rol, or by providing en- agement or incentives, elopment can be spread out e evenly, without costing ustry or commerce too dear. this basis, also, State and vate planning decisions are ty close, as the one exerts so ıch influence on the other.

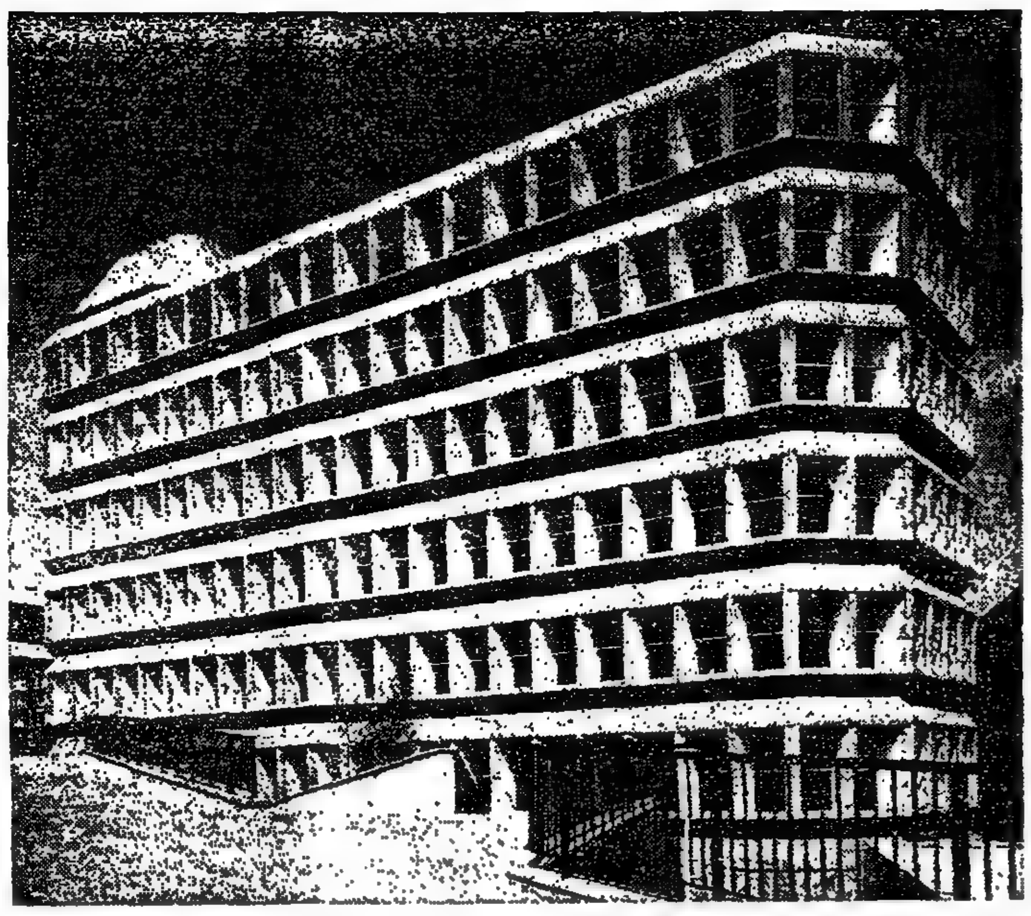
ıcentives

By the use of such planning ices as office development mits (for the South East) ether with local and central ernment planning policies positive incentives, mostly the form of cash or allow- es, Government control has n partially effective; much e development and potential elopment has been steered y from the Greater London and the South East. ssure has been taken off se areas and other parts of country commercially re- ılised.

lowever, development of this ıre does not so far seem to e gone in great abundance any of the three categories Government-sponsored expan- areas. This will influence e planning policies a great from now on.

ıe basic elements which determined present office ıning policies in both private public sectors are prin- lly these: local authority and ral government development s and powers of control; the for restriction in some s and expansion in others ically this expansion is duled, where possible, for special development areas); housing availability and loyment needs; economic rs — the rising costs of ıtaining office space in in areas, particularly ion (this will carry more ıht with office users); ent environmental thinking ıational and local policy- ing levels and present over- planning policy exercised ugh the Department of the ronment. There is also the ıown quantity of the Com- ity Land Bill: unknown in nal form (it is still in com- e stage) and unknown in its tual effect.

ıe most important of these ıe present extent of central ernment and local authority rol. Central government is ctant to be too stringent in overall control of planning, fear of total discouragement evelopers generally. However, indications are that control is growing yearly and certainly it is extremely strict in London and the South East.



The new administrative headquarters of Alfred Marks Bureau in Newcastle upon Tyne are housed in two floors of Cuthbert House.

Local authorities too, exercise considerable control—some say too much—over decisions which have to be ratified by a council of part-time laymen: "The experts are all at Whitehall" says one eminent planning consultant bitterly. But the local authorities do not exercise as much control as they would like and the forthcoming Community Land Bill should bolster their powers to an alarming degree if it becomes law.

Central government policies control office planning at the initial stage before approach for planning permission is made at local authority level. In this respect, national planning policies provide the framework for the future office development procedures. In London and the South East the most obvious form of control is the Office Development Permit, dating from the Control of Offices and Industry Act 1966. Any office development in these areas consisting of over 10,000 square feet must first be granted an ODP before the appropriate local authority is approached for planning permission.

Extremely strict control of ODPs is exercised and even in areas where no ODP is needed (as in the rest of the U.K.) the Government is attempting to steer office development to approved areas. Local authorities are led by the DOE-laid guidelines and thereafter apply their own zoning policies and other appropriate restrictions.

The Town and Country Planning Acts (1947 to 1971) give them a certain say in development within their administrative area. They are also compelled to produce a Development Plan (known since 1968 as a structure plan) for their area, which has to conform to certain zoning requirements (the ratio of commercial/industrial use to domestic/residential). In simple terms, this means working out the availability of local housing, the current and likely future employment situation and the area's development potential; striving to achieve an ideal mix within a reasonable environmental framework.

Moreover, the South Eastern counties, in addition, now have their Design Guides. Produced seemingly on the principle of shutting the stable door after the horse has bolted, these lay down the evironmental principles on which this already largely over-built area will be allowed to develop over the next ten to fifteen years. As their name implies, they are guides for local authorities within a county and put forward two valuable propositions. First, they envisage only limited new development and secondly, any re-development or replacement building will be subject to strict scrutiny and must not (in theory) mar the general environmental principles laid down by the guide.

London, after Glasgow, the biggest planning headache of all, uses its Initial Development Plan—comparable to the usual local authority Structure (or Development) Plan—to shape its future path of development. Under debate at present is the Greater London Development Plan, which, if approved, will become the basic future planning policy for London.

Although this policy is not yet in force, cases have already arisen where London boroughs have used it as a yardstick in turning down applications for office planning permission. An appeal decision by the Minister of Environment in 1973 confirms that any borough making planning decisions based on this authority is acting ultra vires.

Barricade

Generally speaking, the whole question of relations between developers and local authorities is hedged around with a barricade of thorns. Approved development plans are not yet strong enough to give local authorities the control they wish, so they often resort to ad hoc planning policies, a course which is costly for the developer and worrying for the future of office planning.

There is a growing trend for local authorities to insist on some kind of "deal," where really large developments are concerned, in order that some contribution can be made to the community. Usually dignified by the term "planning gain," this is a reasonable process and one which is gaining ground where local authorities have a skilled or alert planning department.

Refusals of planning permission by local authorities, or initial objections, are almost always dependent on the type of zoned area or on physical/environmental grounds; developments are frequently steered to preferred locations. There is no doubt that local authorities are now more militant towards developers and the reorganisation of local government has created a fresh stimulus for regional growth and environmental planning policies, with the opportunity for new local authorities to make firm plans for a wider area.

A spin-off of current planning policy is the creation of approved development areas, away from the South East, where development is given virtually a free hand. These Special Development Areas are zoned primarily for industrial development and until recently, a curious hiatus existed in departmental thinking between office development and industrial development and between service industries and industry proper, the development grants being more generous to the latter.

Since 1973, however, this margin has narrowed in an effort to attract the sherry and scampi brigade to areas hitherto regarded as cloth-cap. Grants, while not at Croesus-level, are still surprisingly generous. Under the Office Incentives Scheme operated by the Department of Industry, certain firms get a grant of £800 per employee up to a limit of 50 per cent. of the number of additional jobs created (as compared to the average cost of accommodating an employee in London, for example, of £2,600).

Certain conditions have to be satisfied. The move has to be a genuine choice (a non sequitur, if ever one existed) and it has to result in at least ten new jobs in the assisted areas. Local authorities in such areas are supposed to be geared to provide the essential back-up amenities and to encourage adequate housing. In addition, the Government will give a grant to cover the whole of the cost of the approved rent of the premises for a period of up to five years in a Development or Special Development Area and up to three years in an Intermediate area. An equivalent half is given where the premises are bought. These grants are also payable to the developer.

The offices of Kodak in Hemel Hempstead, Herts.

Precedents

While the flood of development and resulting jobs into these areas has not been as great as the Government hoped (they aim for a target of 5,000 extra local jobs a year) enough development has been attracted for those schemes to be continued. The DoE is determined that Development Areas take precedence over other areas for future office expansion.

Current departmental thinking is strictly to limit development in London, the South East and the New Towns (which are almost full up) and to spread the "jam" elsewhere. Present ODP powers, which are sparingly exercised, expire in 1977 and a review has been in progress for the last two years.

Meanwhile, the spread of offices and flow of people away from London continues. According to the Location of Offices Bureau, between 20,000 and 25,000 jobs are moved out of London each year (including the 5,000 or so, which move to Development Areas) and the Government has set an example with its own decentralisation along the lines of the 1972 Hardman report. The main plank in the Government's thinking is the full-to-bursting-point position in Reading, Southampton, Basingstoke, Crawley and other previously favoured South East areas.

Future development will all be steered wherever possible outside these areas. Developers who insist on staying in the south east will either have to join the queue or fight for existing space. Present policy is to scrutinise applicants for ODPs for named user development schemes very closely; proof is needed that they cannot move to one of the Development Area categories, though the Department say that no-one has yet been forced to move to one of those areas. With speculative ODP applicants, there is an even severer process of restriction.

Speculative

Prior to the Minister's statement July 30, 1974, regarding Government policy on commercial development (which set out the above restrictions) speculative ODPs were almost always issued for replacement. Now this well has also dried up. Permits will be granted for a limited number of cases, on railway station sites—Liverpool Street, for example—or in New Towns) if substantial public benefit would accrue through developments on behalf of public authorities.

The Department says it now regards wholesale redevelopment as "not a good end in itself." Further development in the S. East of any kind will be encouraged only in those rare areas where housing outstrips available jobs. In the New Towns, this applies only to Basildon and Milton Keynes.

Further development activity, this time initiated by local authorities (which may possibly be forced into partnership, for reasons of guidance and expertise, with developers) will be generated by the Community Land Act. This Act, with its two appointed days—the first permitting and the second compelling local authorities to acquire certain land in their certain area—may crucially affect office planning.

The future of office planning depends in the final instance on the appropriate Secretary of State. If planning were left entirely to the private sector, office development would inevitably take place in those areas of greatest economic activity: this brings one back to London and the South East. Since these areas have been denied to us under present planning policies, the future lies outside them and may also depend, medium-term, on better closer relations with local authorities, together with the possibility of partnership enterprises between them and developers. (With the Community Land Bill, local authorities may have to take this course).

It is almost certain that from now on office developments of any size may only succeed if they satisfy certain environmental standards and produce some positive spin-off in terms of community values.

Max de Trense

PROPERTY XX

There has been a steady, though largely unnoticed, revival of interest in investments in shops. Rents have held up well during the general property recession, particularly in the key "100 per cent" High Street locations. The revival has however brought about a drop in yields to as low as 6.5 to 7 per cent. for the best investment.

Shops investment...

ONE OF the largely unnoticed features of the property market of the last few months has been the steady revival in interest in shop investments. This has been very selective, though nonetheless indicative of the changing attitudes of institutions over this period. The fluctuations in shop property values over the last 12 to 18 months have been rather less than for offices because rents have generally remained far more stable, though yields have varied sharply in line with offices.

The rental pattern is the key in practice to the institutions' current attitudes, and the point here is that unlike office rents in top-quality locations, shop rents in prime positions have in general not declined, following the spectacularly rapid growth of 1972-74. The same factors which explained the growth then—a high level of consumer spending, a desire by the multiples for bigger units and the simple scarcity of such shops—are also the reason why these rents have been sustained. Thus consumer spending has held up much longer than might have been expected because of the high rate of wage settlements, though the squeeze on certain of the durable companies has resulted in a somewhat lower demand for units from this group of retailers. And while many of the leading stores group have pruned down their expansion plans drastically, most are continuing to move from smaller units to larger ones. So there is still strong competition to snap up any unit in a "100 per cent" position in a High Street, and the scarcity factor here has held rents up, and in some cases there have even been rises.

One leading agent, for example, quotes the recent case of a double unit in a major suburban shopping centre in outer London where the tenant was not willing to accept a rent of £42,000 a year for a unit of roughly double standard frontage which was later let at over £44,000 to a top-class covenant. And the same story can be repeated in the main shopping streets in a number of other places, where a unit so rarely becomes available that there is always intense competition—even if it is from half a dozen groups rather than the dozen which might have been interested two years ago.

Equally, there is evidence that developers of certain new untried centres who have pitched their rent too high have had to trim the terms a bit—and indeed because of price control and cost pressures some leading retailing groups are becoming unwilling to pay such rents since they do not believe they can generate a sufficient return. There has also been a decline in rents in certain of the more fashionable central London shopping streets where prices became artificially inflated two years ago.

Discount

But the main distinction required is between prime and secondary shopping locations since apart from those relatively few positions where there is a real scarcity of units there has been a definite falling off in demand. A much larger discount than has been traditional now tends to apply between the rents in these types of pitch; and while there is so far comparatively little evidence of a dramatic decline in rents or a significant number of voids, there is no doubt that the previous level of rents is difficult to maintain.

These distinctions have been closely paralleled in the investment market where the main demand has been concentrated on freehold units. As in the rest of the investment market, the announcement last December of the end of the rent freeze marked a major change, and since then there has been a significant increase in activity from the relatively low levels of last year.

Many deals were, of course, agreed last year, but they tended to be confined to rack-rented investments, let to top covenants in 100 per cent. positions—and one of the biggest to be announced publicly was the sale and leaseback by F. W. Woolworth of 11 of its stores to the British Steel Corporation pension fund for more than £10m. These sort of prime stores still naturally attract the main investment interest, but there is also demand now for good secondary properties provided all the other conditions of covenant and lease structure are right. There has also been a gradual increase in interest in reversions again, though this is not on a large scale yet and is mainly at present confined to situations where the review or reversion is in up to five or seven years' time.

This revival of interests has been fairly widely spread among the major investing institutions—and incidentally, of course, every big nationalised industry pay award also boosts the amount of money its pension fund has available to spend. The result has been a drop in prime investment yields of between half a point and a point since Christmas to as low as 6.5 to 7 per cent. for certain top-quality investments.

It has, however, become noticeable during this period that in addition to the familiar priorities on location, institutions are becoming even more choosy about covenant—looking much more closely than in the past into the financial standing of the tenant and the prospects for his business to see whether he will be able to pay the rent being asked given the possible impact on consumer spending of the recession.

The traditional preferences on location do not appear to have altered much with suburban High Streets like Woodford, Putney and Wood Green still much in demand. It will be interesting to see though whether those towns or shopping centres, which have relied upon a large catchment area and a high proportion of customers travelling in by car, will be affected by the continuing rise in the cost of fuel. In the case of Birmingham, for example, although many of the national department stores are concentrated in the very good shopping area in the centre of the city most of the multiples are in the suburbs and adjoining areas such as Solihull and Sutton Coldfield as well. So there could possibly be a shift in the pattern of comparison shopping with clear implications for rental and investment trends. It has not happened yet, though.

While most of the investment interest is concentrated on fairly small individual properties there is still demand from institutions for shopping centre investments costing several million pounds. This is principally confined to centres in the prime locations in expanding towns where the position is unlikely to be quickly undermined by the appearance of a rival centre nearby. Indeed, one major property group is at present negotiating the sale of a number of sizeable shopping centres as investments to various pension funds and insurance companies: in most cases because of the nature of shopping centre development, nowadays the company is selling a long lease from the local authority with regular reviews.

There has, however, been no parallel increase in the institutions' willingness to finance new shopping centre developments: indeed, the Ravenseft subsidiary of Land Securities, is cutting back sharply on its development programme, particularly the mammoth proposed city centre scheme in Cardiff. Its attitude is shared by most other developers and institutions at present—they are generally unwilling to undertake new shopping centre schemes at present because of the high cost of money, doubts about their likely return caused by escalating building costs, and not least because of the uncertainties over the Community Land Bill and other Government actions.

Indeed one of the few major town centre schemes to have been funded in the last year has been the investment of £24m. by the Post Office Superannuation Fund in the redevelopment of Milton Keynes. While this funding has been hailed as an example of what might happen under the Government's plans, it would be interesting to know more of the exact terms on which this scheme has been financed—not only the yield to the Fund but also who will pay any over-run of costs or shortfall in revenue. Apart from this project, one of the few new developments to have been financed is a Town and City Arndale Centre, but this is very much an isolated example.

Peter Riddell

Two factors—a shortage of new shopping developments and an expected slump in retail sales—appear to be the opposing elements in predicting the likely pattern of future rents for shops.

... and lettings

ASSESSING THE prospects for retail lettings at present is a matter of juggling two major issues: are lettings going to fall off in pace with a slump in retail sales; or is the looming shortage of new shopping developments going to stir fierce competition for units?

The problem of assessment is that neither factor has yet showed up with certainty. The shortage of space which will follow the stoppage of development work will not inhibit retailers' expansion plans for about another 12 months. On the other hand, the economic recession—thanks to the fact that wage increases have so far outstripped the rises in the retail price index—has not yet begun seriously to effect rental levels or current expansion plans.

The level of shop rentals and the number of units let will, in 12 months time, depend on which factor weighs out heavier.

In the meantime, the latest retail sales figures, for May, show a 14 per cent. drop from April. But April's levels, thanks to Mr. Healey's advance warning on the VAT increases, were phenomenally high. The remarkable fact is that the levels achieved throughout the year so far have been maintained at all. Each month we have had advance warning that retailers were expecting the recession to start biting. But each month the crunch has failed to come. Durable goods firms have followed one another out with respectable increases in sales, and most analysts believe that the current year should show at least maintained levels.

Certainly, monitoring recent shop leases gives no cause for suspecting an imminent downturn in retailers' profits. At least two specialist shop agents believe there is evidence to support rentals of as much as £70 per square foot in the prime pitches of London's Oxford Street.

In Edinburgh's Princes Street, and in Argyle and Buchanan Streets in Glasgow, recent lettings have fetched £25. Exeter provides plenty of evidence for rents of between £12 and £14, and in Plymouth £10 is not uncommon.

Such levels appear to be ongoing, rather than historic. There is little evidence to show levels drifting downwards. Extremely high premiums are still being paid as, for example, the £200,000 premium paid by Jean Machine for the 28-year lease at 467 Oxford Street.

Most of the shopping developments now coming onto the market are largely pre-let on opening, and multiple retailers are still handing out lists of towns in which they are seeking representation. Harris Carpets, for instance, has a list incorporating 36 towns, and Kwik Save have a blanket appeal out for units in a triangle from Lancaster to Coventry and across North Wales.

A random selection of lettings achieved in April and May almost makes one believe that there is a boom in the retail sector. In Swindon a 14,000 sq. ft. supermarket (the lynch-pin and, therefore, usually the lowest-priced unit in a centre) went for £27,500. A rental in Reading, on an equated yield basis, comes out at 7.6 per cent. At the wrong end of London's Oxford Street, No. 61, of only 508 square feet, fetched £27,500 despite three-yearly rent reviews. In Liverpool, an 1,800 sq. ft. unit in the St. John's Centre, changed hands at £6,500 plus a £15,000 premium for 17 years of a 20-year lease containing five-year reviews.

In the light of such levels there is difficulty in resisting the notion that the drying up of new development will fuel an acceleration in rental levels and perpetrate the premium payments, which ought to have died with the rent thaw.

For, make no mistake about it, developing shopping centres is not the favourite occupation of to-day's property men. Nor even—come to that—are many local authorities very happy about embarking on extensive schemes these days.

The list of abandoned schemes grows daily. Biggest headlines went to Cardiff's £126m. Centreplan where Ravenseft paid the Corporation £3m. to back out of a mixed scheme which would have incorporated nearly half a million square feet of shops.

Centreplan, however, is just the tip of the iceberg. Even Mr. Shopping Centres himself, Town and City's Sam Chippindale, has announced that there will be no new Arndales for a good while. Agents Bernard Thorpe have announced cancellations on five town centre schemes, in which local authorities are the partners, in Leeds and Scotland. Ravenseft have backed out of Coldharbour Lane in Brixton; EPC out of Newton Abbott; and MEPC have put on ice their scheme for part of Oxford Street.

With local authorities under orders from the Chancellor to curtail capital spending, even fewer partnership schemes can be expected in the next two years.

The effect of such cutbacks ought to be a massive bottleneck of retail chains in search of extra outlets to bolster turnover. Few shop agents, however, are yet ready to rub their hands with prospective glee. That slump must come, is the warning voice in the ear. And if the Government succeeds in cutting wage rises, pruning public spending and abetting higher unemployment by withholding funds, come it will.

The effect could be almost immediate. A substantial proportion of any shopping centre or High Street comprises one-off specialist shops, or units representing small and vulnerable chains, which can close overnight. In a self-contained centre, such closures have a snowball effect; empty shops discourage shoppers, which in turn empties more shops.

There is yet another factor which is beginning to concern the more long-sighted retail specialists. Several of the country's leading food chains have announced massive investment plans for developing their own sites. Nor is the move concentrated wholly in the food side. Sainsbury and British Home Stores riveted attention with the news that they have formed a joint company to develop their own edge-of-town hypermarkets. Tesco, too, wants edge-of-town sites (which usually means one-off custom-built units). Even Fine Fare is to put nearly £10m. into building new units outside town centres, despite that company's massive investment in town centres.

Such moves could have dramatic long term effects on the rental patterns in the traditional High Streets. Without the leading companies competing for the plum spots in the centre—and the second echelon jostling for the adjoining unit—what price to-day's rent levels?

Christine Moir
Editor, Property and Investment Review

Sceptics hold that the chance of getting permission to open a hypermarket are receding. Why this form of retailing has run into so much opposition.

Hypermarkets

ONE ASPECT of the property scene which is causing a good deal of controversy among retailers and grocery retailers in particular is the difficulties experienced in getting sites and planning permissions for big out-of-town or edge-of-town stores. In the tough trading conditions which the grocery trade faces to-day with strict profit margin controls, little volume growth in sales and escalating costs of rents, rates and wages retailers claim that very big outlets in off centre locations are virtually the only type of outlet that it is worth their while building. They point out too that these types of stores work in favour of the housewife since the economies which they offer the retailer allow him to give the shopper lower prices—and at a time when prices are a central national issue in their own right.

However, local authorities are reluctant to welcome these large stores for a number of reasons. Local traders often figure prominently in local authority affairs and there is therefore a strong element of protectionism at work. Existing high street traders understandably fear that they will lose business to the new store.

Local authorities also fear the spectre of a decline in traditional high street shopping centres. This is not only socially undesirable; high street rates are significant contributors to local authority revenue.

There are other problems at this level. A true hypermarket of more than 50,000 square feet and adequate car parking space to match will, according to the experience of those currently in existence, draw its trade from a very wide catchment area. A radius of 20 miles or more is common—with the actual radius dependent on just how good the road system is. Thus a proper hypermarket will usually affect not one local authority area but three or four.

This means that the chances of getting planning permission at local level for these stores is fairly small, and even for medium sized stores there is usually the time consuming and expensive business of a public enquiry before an Inspector of the Department of the Environment. For bigger stores of more than 50,000 square feet of selling area scrutiny by the DOE is a matter of course. This has been the case since February,

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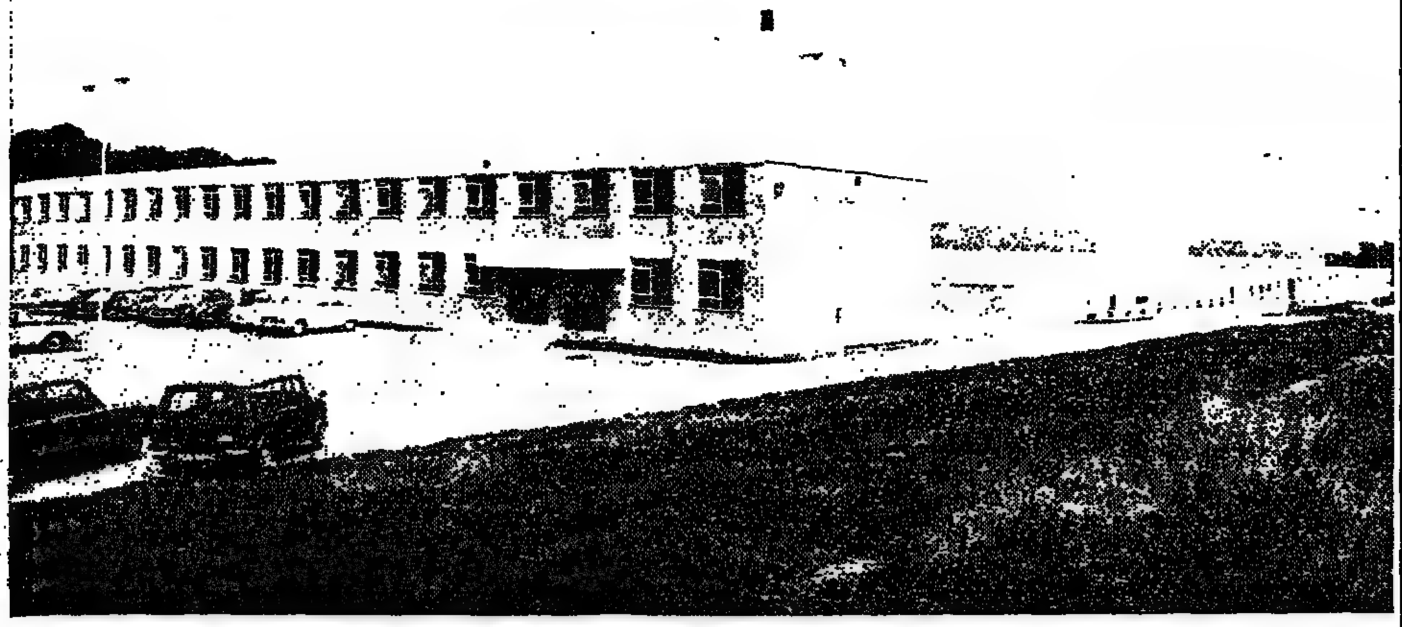

90,500-square-foot factory complex at Basingstoke being sold by Baker Perkins. It was previously occupied by one of the group's subsidiaries.

The recovery over the last three or four months in property fortunes is nowhere stronger than in the industrial sector. The limited upturn has not been matched by any significant increase in funding activity.

Factory investment

THE INDUSTRIAL sector has shared fully in the sharp fluctuations in the investment market as a whole over the last two years—with wide variations in the level of activity and in the level of yields. Yet, significantly, the recovery over the last three or four months appears to have been relatively stronger in the industrial sector than elsewhere—reflecting a number of important longer term changes.

The starting point for any analysis of the industrial investment market is the height of the "boom" two years ago. Back in the heady days of summer 1973, industrial yields were down at the historically low level of 7 per cent. and there were attempts by some agents to talk down yields even further, to the 6.5 to 6.75 per cent. range. The market had at that time many of the signs (at least seen with hindsight) of over-heating.

Criteria

There were indications of a relaxation in the buying criteria as the shortage of good quality investments—of the right design, location, tenant and rent—became more serious. The "boom" also saw the appearance of a number of funds and agents which were relatively unsophisticated about industrials. Some were caught up in the wave of enthusiasm of an average increase in rents of over 50 per cent. in 1972-73, and bought investments, or pre-funded developments, on hopelessly optimistic rental projections.

The warning signs of over-heating were appreciated by some sceptics in the autumn of 1973 and their view was apparently supported by increasing caution on the part of the more experienced institutions. But the turndown and collapse of the industrial investment market was far sharper and more sudden than any can really have anticipated. The change occurred in November and December 1973 when the altered financial background and Government intervention transformed the market into one almost entirely favouring the buyer, with large amounts of property for sale.

The sheer quantity of industrial investments and developments available overshadowed all else during 1974—particularly since a large number of companies started industrial and warehouse schemes during 1971-73 with short-term bank credit. Industrial schemes have the particular attraction that they are often relatively small and the gap between start and completion is much shorter than with almost any other type of commercial development. So industrial projects were favoured by many newcomers to development in the hope of generating cash flow and building up a capital base quickly.

The supply problems were also aggravated by the fact that the three most well-known casualties of the end of the "boom"—Lyon, Stern and Guardian—were all particularly active in the industrial sector with many bank financed projects in the development stage. Accountant Mr. Kenneth Cork is still—more than a year later—left with the problem of selling off many of these properties. In any event, the appearance of this large amount of industrial property for sale, coupled with other changes in the market, produced considerable caution on the part of the main investing institutions. They were mostly only interested in the best rack-rented investments and in some cases the interest stopped at the inquiry stage—apart from a few cases of bargain hunting.

The result was a steady rise in prime industrial investment yields throughout last year—rising from about 7 per cent. at the end of 1973, to 8.25 per cent. in February, 9.25 to 9.5 per cent. in June, 9.75 to 10 per cent. in September and up above 11 per cent. by December. Even then deals were difficult to agree, while any property in the slightest degree less than prime in location, design or covenant was virtually unsaleable. So secondary yields were often 14 per cent. and above.

The situation has changed, however, this year—primarily because of the Labour Government's decision last December to end rent controls 12 months earlier than previously intended. This led to a gradual revival in the investment market over the early months of this year as a number of major institutional investors which had effectively been out of the industrial market in 1974 slowly started to move back.

The result has been a definite, and recently quite sharp, drop in yields. The current prime rate is about 9.5 to 9.75 per cent.—a good one and a half to two points below the rate at the beginning of this year. But this only applies to modern rack-rented industrial and warehouse buildings in prime locations, especially near motorway links, and with adequate eaves height and parking and loading facilities. The point on eaves height—a minimum of 18 feet seems to be especially important—reflecting an increasing awareness that the unit must be sufficiently flexible to be re-let quickly if necessary.

The locational preferences are the same as in the past—round the main road links into London, especially to the north and west, and on major motorways outside the capital, such as along the M4, particularly near Bristol. But one leading industrial agent has noted in the past two or three weeks some interest in acquiring investments in the Leeds and Birmingham area—a demand which he would not have said existed a month ago.

The decline in prime industrial yields has been greater proportionately than for shops or office investments—narrowing the traditional gap between them. This is largely the result of the greater amount of money which has moved into industrials relative to the other two sectors: one agent estimated for example, that over half the new investment now being carried out was in industrials.

Attitudes

While this is at best only an approximate guess it does indicate a change in the underlying institutional attitudes to industrials. This may be partly a matter of high yield at a time of rapid inflation but also possibly an increasing acceptance of the argument put forward, notably by Percy Bilton, that the growth in industrial rents over a period of nearly a decade has been every bit as good as, and in many cases, better than offices in all but the City of London. The comparisons are based on the London suburbs and south-east England and some would argue that the conclusion may apply less strongly in the provinces, while the relative reversionary potential of industrials is less than offices. But the Bilton case has been strengthened over the past few months by the relative stability of industrial rents as opposed to the marked weaknesses of office rents in central London.

Emphasis

But apart from this shift in investment emphasis, certain broader political influences seem to have been at work. Thus the view that more institutional money should go into industry of one sort or another seems to have made some institutions keen to invest more relatively in this part of the property market. It is clear, for example, that some nationalised industry pension funds have become more active investors in industrials.

But the amount of property still for sale—particularly secondary buildings — should always be remembered and this is bound to act as a restraining influence on the market for some time, as presumably will the recession. Moreover, the limited revival so far in the investment market has not yet been matched by any significant increase in funding activity. Institutions are still generally only willing to finance developments where there is a definite pre-let to a strong covenant on terms perhaps one to one-and-a-half points above the current prime investment rate. Some other cases where developments are being financed in fact reflect prior commitment of some kind or another, with either the scheme or the company as a whole. But the willingness of certain of the large well-placed companies to press ahead with new development was underlined earlier this year by the statement accompanying Slough Estates' package of a convertible rights issue and £5m. loan from Finance Corporation for Industry when the group said it intended to continue development, albeit on a smaller scale than before.

Peter Riddell

Hypermarkets

CONTINUED FROM PREVIOUS PAGE

1972 when the Department issued Development Control Planning Note No. 13 which laid down that any retail development of this size would be automatically called in.

The retail trade reckons that 13 is just not its lucky number. Those seeking to build hypermarkets do not accept the Department's claim that it is neutral on the question of hypermarket development and that each application is treated on its own merits. The cynics among the retail fraternity are to be heard muttering gloomily that the Department calls in the applications so that it can reject them.

Concept

Statistics on the matter tend to favour the cynics rather than the Department since they show that not only are successful applications rare, but that the whole process is excruciatingly slow. The figures have to be taken with some caution since the Note covers all developments of 50,000 square feet and not just those in out of town locations. It will also cover new shopping centre developments which are quite a different concept to the hypermarket idea.

But as near as one can judge there have been only ten decisions on hypermarket applications between February 1972 and the end of April of this year. Of this number only three were approved—one of which was an Asda superstore and the other two genuine hypermarkets. The hypermarkets concerned were the Carrefour at Eastleigh which is now in operation, and the 76,000 square feet Tesco at Irlam which is now being built.

Only ten judgments in three years is not a fast rate of progress and only three approvals is hardly a success story for the retailers. If anything the process could get slower still since there are currently 20 more applications with the Department at various stages of consideration, and with more and more retailers getting in on the act applications are coming in a lot faster than the rulings are being handed down. Just this week Sainsbury and British Home Stores announced that between them they had applied for permission for a 90,000 square feet store three miles west of the Colchester town centre.

But if the going is particularly tough for the hypermarkets it seems to be a good deal easier for those pitching slightly lower. It does seem possible to get permission for sites for stores around the 20,000 square feet to 40,000 square feet range, and there are probably something like 150 to 200 of these in operation. The principle of the superstore is in many ways similar to that of the hypermarket in that most of them are geared to the motorised shopper, and they reap economies of scale as compared with smaller, town centre, sites.

The hypermarket argument has turned out to be a highly emotional one. When Carrefour first started to introduce hypermarket development in the U.K. there was no evidence for or against, but a lot of impassioned pleading. Those opposed to the concept pointed to the experience in the U.S. and in some European countries where hypermarket development had been allowed to run unchecked.

Damage

The outcome of this in many cases was quite considerable environmental damage with large warehouse-type buildings in prominent positions dotting an otherwise pleasant landscape. A further problem in some areas was that unrestricted development led to overshopping: areas which could support one hypermarket comfortably ended up with two or three. None of the operators could make money in this situation and this was one factor leading to a damaging price-cutting war in the U.S. a couple of years ago.

The people in this country who are pushing for hypermarkets are as anxious as anyone else that this process should not be repeated in the U.K. But they do argue quite forcibly that the planning authorities are preventing even reasonable development.

The other major hare started in the early days by the anti-hypermarket lobby was the spectre of hypermarkets ruining the trade in existing town centres. Some of the more militant claimed that the lower prices offered by hypermarkets would only be a temporary phenomenon to drive out competition after which the hypermarket operator would simply raise his prices to what the market would bear and cream off the benefits of his greater efficiency.

In these days of price and profit margin controls that could not really happen, but there is no sign anyway that it would have done. The longest established hypermarket—at Caerphilly—has been the subject of a series of different studies as to its effect on other traders and on prices. These have shown that while there has been some impact on existing traders it has been far from disasterous, and that it can offer the housewife discounts of between 7 per cent. and 10 per cent. over the traditional high street trader.

Sandy McLachlan

PROPERTY XXII

As inflation continues and factories and warehouses become obsolescent more quickly, more attention is being paid to questions of industrial design. Greater flexibility of use rather than design for a specific occupant is one of the principal aims of current practice.

Industrial design

THERE ARE still industrialists in the U.K. content to opt for the lowest common denominator when it comes to investing in a factory or warehouse. "Make it cheap and cheerful. I don't care what it looks like as long as it works," they say.

Fortunately, this type of short-term decision-making is on the decline. Although it is essential that the industrialist gets the most effective building for the least possible cost, he has to look much further than just the initial outlay.

Management techniques must come into play. "Should I build this warehouse at all?" he must ask himself. "Would it be more profitable to lease space on a nearby industrial estate or one closer to the market for my product?

"If I decide the best location for my new warehouse is next to my manufacturing unit, what kind of building do I erect? How do I finance it? Can I get an institution interested in a lease-back deal? How many years' use do I anticipate from the building before the market for my particular product is saturated or disappears completely?"

As in any decision involving property, the basic question is location. Even for a relatively minor capital expenditure the industrialist must carry out some kind of feasibility study in nominating the location. For example, it would be the height of foolishness to lease a warehouse at a "bargain" rent if the effective savings in rent were to be quickly cancelled out by higher transport costs or high labour costs because the necessary skilled labour had to be "imported" at a premium.

A basic question often overlooked is: "If I want to sell or lease my warehouse to someone else is the design flexible enough to attract a reasonably mixed range of would-be purchasers or tenants?"

Time and time again purpose-built factories and warehouses have to be disposed of at a discount simply because they are designed for a specific industry or company. Although the vendor may rightly claim that the offer price is 25 or 50 per cent. less than what it would cost to replace the particular property, this cuts no ice with the purchaser who wants the most effective building for his use.

As inflation roars on, as products become obsolescent more quickly and as capital becomes increasingly costly to borrow, the modern trend in design is for flexibility. The result is that many factories and warehouses have interchangeable use. This is especially true on industrial estates developed by private developers or partnerships involving local authorities and development companies.

Unfortunately, maximum advantage cannot always be taken of this flexibility because of political and planning interference. Industrial Development Certificate control, refusal for change of use by planners and the enforcement of impracticable covenants are costing British industry dearly. The political arguments for moving much of Britain's motor industry from the Midlands to Scotland and Merseyside are being exposed as debilitating in economic terms. By being coerced to invest in the wrong places, British motor manufacturers now find they cannot compete against foreign companies. This, of course, is not the total reason for the present disarray of the U.K. car industry, but it is a major element.

The demand for industrial premises is greatest in London and the Home Counties and within a 30-miles radius of Birmingham—and to move jobs away is costly and disruptive to labour. On the other hand, it could be argued that the decentralisation of industry towards Manchester and the New Towns backed by modern motorways has created new areas for warehousing that were completely isolated 15 years ago. Scotland, for example, has been able to adapt fairly quickly to the demand for oil search and development products. The infrastructure is there. And it is only there because of planning policies, motivated by political priorities.

Another major factor affecting design, but now influenced by political interventions, is the availability of industrial land. With development gains tax and a promised Community land law, market forces could be completely disrupted by political motivation. Industrial land in the Midlands, costing, say, from £25,000 to £80,000 an acre, may be discarded by central planners for cheap land in, say, Yorkshire at only £3,000 per acre. Apart from poor geographical location the Yorkshire land may be liable to subsistence. To bring it up to required standards could involve expensive corrective work which would make it dearer than the land in the Midlands.

But designers of industrial buildings, of course, can usually overcome site problems. The risks, and additional costs, can be overcome, but what a pity if they are the result of political decisions. Scores of industrialists and industrial developers have found their best-laid plans thwarted when a promised sewerage or water extension is not provided because of cost-cutting exercises by central Government.

Basic design can be wrongly influenced by planners. Often there is no economic reason for incorporating toilets, offices, heating and car-parking in a warehousing scheme. But if a planning consent is dependent on these factors, added costs can tip the balance of the scheme's viability. It can work the other way, too. Some speculative developers often incorporate a too high element of offices into a warehousing scheme in a bid to boost the rent. In times of excess demand, industrialists will "wear it," but when it is a buyer's market this design ploy is a total failure.

Both on industrial estates controlled by Department of Trade and Industry (English Industrial Estates for example) and private development companies there is usually a mixture of flexibly designed advanced units and accommodation built to specific requirements. Units vary from, say, 5,000 to 100,000 sq. ft. and usually comprise single-storey steel or concrete portal-framed structures around 20 ft. to the eaves. Perimeter walls are usually of brick or rust-proof metal. The basic sewage, gas, water and electricity services are provided.

But generally on a new building, at least, the design is "shell-like" and basic enough to allow the would-be tenant or purchaser to incorporate his own specific internal needs. In nursery or flatted units services are more standardised—but of course the tenant can still adapt to his own requirements.

Because of high-bay stacking, designers tend to incorporate concrete floors that will take extremely heavy loads, with concrete hard-standing at warehouse entrances and tarmacadam access roads and parking areas.

Those property development companies which specialise in speculative warehousing, people like Slough Estates, Percy Bilton, Edonwall and Mackenzie Hill, have design down to a fine art. Generally, they are giving the customers what they want at the right price. There has been intense competition in this particular sector of the property market simply because the time scale between initial investment and rent producing return is relatively short.

Last year, for example, Slough Estates let 1.154m. square feet of new factory and warehouse space. And that, remember, was during the three-day week and a credit squeeze period. Percy Bilton's rent roll last year was running at the rate of £3.25m. per annum. Success of that order demonstrates their design and construction techniques are effective. Not that developers alone have all the design answers. Architects like Foster Associates, T. P. Bennett & Son, and Ove Arup Associates are setting new standards in aesthetic appeal and functional use.

Structural steel design and fabrication companies like Conder have put Britain at the forefront of industrial design with such innovations as the Conder V-beam for flat roof construction. The V-beam, made from galvanised steel, requires no painting and is virtually maintenance free. It is designed not only as a load-bearing element but can take lighting panels, be used as a plenum chamber, can accommodate suspended heating or ventilation equipment or be used with the Conder ceiling. The V-beam, for example, was very effectively used in Pedigree Petfood's huge factory in Peterborough.

Another important innovation in industrial design is the Yorkshire-based Ward Brothers' multi-beam electrical trunking system. Like Wards' multi-beam purlin system, which has probably captured a third of the U.K. market, the electrical system is designed to cut down on labour costs. Basically, the design allows the metal purlin to be a combined structural and trunking element. It has fittings to link up with any type of light fittings and eliminates the first fixing operation necessary with conventional conduit and trunking systems.

But there are also many specialist design areas in industrial buildings. Take cold-storage plants for example. Here the Swedish controlled Frigoscandia group can rightly claim that through its research and frozen-food storage and distribution experience, it had developed a specialised knowledge that few architects or engineers could be expected to have.

Industrial building design is constantly changing. Some appreciation of this change can be seen at Milton Keynes where the Development Corporation is erecting PVC-faced steel-clad warehouses. These steel panels, it is claimed, can be adapted for most shapes and re-used for expansion. In other projects glazed walls are preferred. No longer does the expression: "If you've seen one warehouse you've seen 'em all," hold true. Design improvements are never-ending.

Kerry Stephenson
Estate Times

An offshoot of the Department of the Environment, the Property Services Agency, which is responsible, among other activities, for managing the Government's office properties, is having to face up to the twin problems of rising rents and tighter controls on public spending.

Property Services Agency

IT HAS been one of the ironies of the last few years when the relations between the property industry and Governments of both parties have so frequently been strained that the one arm of Government in active day-to-day contact on a commercial basis with the industry has had so little part to play in the key decisions. Yet the Property Services Agency is essentially an executive rather than a policy-making offshoot of the Department of the Environment—though it is, of course, a major influence on both the property and the construction industries in its everyday operations.

After all, the Agency, which was set up nearly three years ago mainly out of the old Ministry of Works, is the largest single employer of building labour in the country. It has a total staff of about 54,000 at present, both at home and abroad.

The Agency's general aim is to meet the needs of Government departments, including the Armed Services, and approved clients within the public sector, notably the Post Office, for land, accommodation, fixed installations and associated supplies and transport services. This bald official statement of aims in practice covers an enormously wide range of activities from the construction of a new Public Record Office, a Wind Tunnel and an East-West highway in Nepal to the maintenance of the Royal Palaces and Parks to the purchase of 8½m. pieces of crockery and glassware every year and 16½m. bars of soap.

Offices

Of more direct significance for the property industry is the Agency's work in managing the civil estate which consists of 11,659 holdings of land and buildings, including 60m. square feet of office space. And it is the management of the office property which has aroused most interest within the property world over the last few years.

The debate has essentially revolved around the spiralling total rent bill the Government has faced in the last few years and the continuing large amounts of space in central London rented from developers by the Agency—prompting the long-standing description of the Agency as the "developers' friend."

The Government's office rent bill doubled in the four years to 1973. This was partly because of an average 2 per cent. annual rise in the number of civil servants working in the Capital between the mid-1960s and the early 1970s, but mainly as a result of the sharp rise in market rents both for leasing new space and on the renewal of existing leases. In the two financial years since 1972-73, the bill in London has risen another third to about £40m.

The worrying longer-term implications of this trend were highlighted a year ago with the disclosure of the official estimate that over the next ten years the rent bill in London alone could rise to more than £125m. a year unless there is large-scale dispersal of civil servants out of London (on the lines of the proposals of the Hardman Committee) as well as some major building of Crown-owned property. Moreover, the forecast is based on the assumption of no change in rents from market levels operating then — after a rise of five or more times in central London over the previous decade — and of no increase in the amount of space rented above the current total.

The projection is based on increases in rents payable up to 1974 market levels on review or expiry of leases—and the Government does have a number of 21, 35 and 42-year leases taken out when rents were in some cases below £1 a square foot. Two recent factors have, however, worked in the Government's favour over the last three years. One is the business rents freeze which saved an estimated £2.4m. in rent increases between November 1972 and the end of March 1974. The freeze ended earlier this year and the Government is now having to pay these increases.

On the other hand, the Government is clearly benefiting at present from the sharp downturn in the letting market in central London which has led, particularly in the City, to falls in rents of 20 to 30 per cent. from the peak early 1974 levels. The Agency is thus in a better position to drive a tougher bargain on the review of a lease or on taking new premises. This may also slightly reduce the projected increase in the total rent bill over the next decade—though the rise will still be dramatic. Anyway, the relief may only be temporary since if a shortage of space develops in two or three years' time then the rental spiral could start all over again—and rents could soon leave 1974 levels well behind.

The sharp increase in the London rent bill over the last decade—and the prospects for a further steep rise—have been a subject of concern for some time both to the Government itself and to various Commons committees. Several studies have shown that it is generally cheaper to buy and build in central London rather than to rent over the longer term. It was estimated in 1973 that the cost per head of accommodating civil servants in central London is roughly £13,000 in Crown owned buildings while the equivalent capitalised value in rented premises is £19,000.

The exact figures have clearly changed since then and while the relative advantage of buying and building as opposed to renting may have narrowed because of the fall in rents in the last year and continuing rise in building costs, the differential probably still exists—and could well expand again in the future. The case is not necessarily so clear cut outside the capital where the capitalised rental value may be below the cost of building, though rent reviews add a further problem.

Renting

It has, nonetheless, been official policy for some time now that the Government should build more and rent less—and the subject was re-examined following the formation of the agency. The basic long-term policy now is that the balance of office use in London will be switched away from the current dependence on renting for 70 per cent. of space. The present total of 300 rented buildings will, it is hoped, be cut down both by a policy of building a number of large new Government office blocks and by dispersing civil servants from the capital altogether.

Most of the civil servants remaining in the capital will have some more or less direct connection with policymaking, so it is intended to concentrate most of the central administration in the vicinity of Whitehall, on both sides of the Thames. There are thus plans for two large new blocks south of the Thames — one near Vauxhall Bridge (originally intended to house 6,000 or 7,000 civil servants) and another in Elephant and Castle. But this has faced certain planning problems within London — in particular the wish of the Greater London Council to spread office employment out of the centre into the suburbs. This is in contrast to the view of the Government that those who remain should be in the centre. There has been concern about the bulk and scale of some of the proposed buildings and planning discussions are continuing on the proposals for the Vauxhall development.

The other—and crucial—blockage has been the ever-tightening controls on public spending. The cuts of autumn 1973—in other words the first in the current series — immediately postponed the start of work on any of the current building or renovation projects. But this limitation is not new and earlier plans for public building have been frustrated for similar reasons: after all, only two Crown owned office buildings have been constructed in London since the First World War—the Ministry of Defence complex in Whitehall and the Department of the Environment's own headquarters in Horseferry Road.

These curbs are unlikely to be lifted in the near future, and meanwhile the continuing calls for additional space to house some new department or official agency involves further renting and a steadily increasing rent bill. The Agency has looked at various ways round these limitations including the possibility of using private sector finance but this would involve certain changes in the law, which seems unlikely in the near future. Anyway private sector finance is hardly readily available at present for development. But the very limited progress in the office policy objectives should not detract from the other work being carried out by the Agency and, in particular, the significance of the departmental Agency concept.

Peter Riddell

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PROPERTY XXIII

The present state of the public housing sector and its future role in helping to house the nation are currently undergoing what is perhaps one of the most fundamental reviews ever carried out. What is always a controversial issue promises to become more so.

More council housing starts

OR THE PAST YEAR to 18 months at least, the local authority housing sector has enjoyed a relatively successful period of growth and expansion. Indeed, it has represented just about the *only bright spot in* the whole of the construction industry which is still struggling to emerge from one of its worst-ever recessions.

Last year, in fact, the level of activity in the private housing sector was so disastrous that nothing more than an average performance on the council housing side *ensured that local* authority programmes made the greatest contribution towards increasing the nation's housing stock.

Total housing starts in 1974 reached only 251,000 against 27,000 in the previous year. While private sector starts fell from 225,000 to just under 15,000—the lowest level since 1953—local authority starts rose to 146,000, an increase of 3,000.

At the same time, total completions stood at 269,000, about *5,000 down on 1973.* Council housing completions rose substantially from 107,500 to just over 129,000 while private completions went in the other direction, from 186,000 to under 40,000. The latest figures for 1975 suggest that the public sector remains fairly buoyant, with starts up on the same period a year earlier and completions running as high as 30 per cent. above the same level recorded *in early 1974.* The big question, however, is just how long this rate of building will *be kept up now that massive* cuts in public expenditure are on the cards. Having led the housing programme *for* the best part of two years, the public sector could now well be set to revert to its traditional role of backing up the private housebuilding industry, which is now clearly picking up.

But over and above the cyclical fluctuations which have inflicted themselves upon the construction industry in general and the housing sector in particular over recent years, the Government is now looking closely at the *whole question* of the existing system of housing finance, the problem which *lies at the root of many of the* present difficulties. A few days ago Mr. Anthony Crosland, Secretary for the Environment, clearly put his Government's case. The country could and must find a better system of housing finance, *one which was* more efficient and more equitable than the present "dog's breakfast."

Understanding

The Minister first called for a better understanding of how the housing system and the arrangements for housing finance actually worked, otherwise people would "continue to *struggle and stumble in the* small dark room of our prejudices."

The basic questions to be asked and answered before any effective rethink of policy can be done include: how much should individuals pay for that housing, and what are the wider social implications of the way in which housing is organised?

On the question of payment for decent housing, perhaps one of the most controversial points of all is raised, the degree to which society as a whole should subsidise *housing* and *how it is* distributed. Some people argue that the provision of accommo*dation is a social service,* and ought to be provided free while others claim that housing should be a *"consumer good"* and that the State should play no part in providing it or allocating it. The present Government has made it clear that as far as it is concerned the public housing subsidy will continue as a purely free market in housing would have hopeless defects, leaving the worst-off members of the community in intolerable living conditions.

As Mr. Crosland himself pointed out, a great deal of re*sentment* against the way in which the present housing finance system works springs *from comparisons* between the different tenure groups. The owner-occupier believes that the council tenant is feather-bedded by subsidies while the council tenant sees his rent go up regularly while the owner-occupier continues to enjoy mortgage interest tax relief, as well as sitting on what can be a sizeable capital gain. The private tenant, said the Minister, "looks wistfully at both of them."

Against a background of rapidly rising inflation and severe financial difficulties for local authorities, those supporters of the private sector have recently been making great play of just how substantial the current level of subsidies in the council housing sector can rise. Mr. Crosland has been forced to admit that the situation has in some cases got out of hand and that substantial increases in rents—at least in line with the prevailing rate of inflation—will be necessary.

The House Builders' Federation, which clearly has an axe to grind, recently provided figures which showed that a Welsh *borough council was planning to* build council houses which were likely to cost around £15,000 each. The cost will push up the rents of all other council homes in the borough by up to 67p.

The house builders say the estimated economic rent for one of the houses would be £37 a week compared with a fair rent *of about £7, the deficit being* made up by Government subsidy, council house rents or rate increases.

In a wider inquiry into the degree of subsidies for local authority housing, the Alliance Building Society recently revealed details of a survey which threw up some illuminating facts and figures. The society's inquiries showed that the average weekly cost of a new, *three-bedroomed home built to* Parker Morris standards—better in many cases than those prevailing in the private sector—was £34.80 a week in those authorities approached, ranging from extremes of £49 to £24. With average rents calculated at £5.80 a week, the average cost to be met, ignoring rebates, was £29 per unit each week. The Alliance also pointed out that *some councils charged rents for* only 48 or 50 weeks a year, making the level of subsidy still higher.

Mr. Crosland, within the last few days, made certain remarks on the need for an overall review of finance which were widely misinterpreted to mean that if subsidies to the local *authority housing sector were to* be reduced, then a similar approach would be required in the private sector, namely a possible reduction in tax relief levels on mortgages.

Such was the immediate strength of protest — some 5m. borrowers could find mortgage repayments rising sharply if existing tax *relief* levels were cut or removed — that Housing Minister Mr. Reg Freeson went *on record earlier this week to* deny that the Government had any such considerations in mind. Governments have been more than ready in the past to allow building societies to take the criticism when mortgage rates rise and the present one in particular would not wish to go down as the first administration which effectively and directly took a decision to push *up the cost of buying a home.*

There is one other major point of controversy now being openly and actively debated, the Government's commitment to a programme of ongoing municipalisation, or the acquisition by local authorities of homes in the private sector, the complete reverse of Conser*vative policy which calls for* the transfer of local authority homes into the market place.

Local authorities have been given a general consent to acquire existing accommodation, subject to cost and rateable value limits and particularly in areas where the need for housing aid and social action is most urgent.

In order to maintain its much-cherished municipalisation pro*gramme, the Government* recently decided to reallocate housing funds in favour of its scheme at the expense of funds previously made available for local authorities to lend out on mortgage for home ownership. Local authority lending for private house purchase was effectively cut to 50 per cent. of the amounts actually advanced in 1974-75, a decision which has met with considerable *criticism and which has already* had substantial repercussions up and down the country, with *town halls cutting back or com*pletely stopping home loan programmes for the current year.

Building societies have been called on to see whether or not they are in a position to make up the switch from local authority lending, amounting to about £100m. It is something of an irony that in order to enable the Government to pursue a programme of removing homes from the private sector and placing them under public control, the building societies, whose sole purpose in life is to promote home ownership, are being asked to help out.

Michael Cassell

The Bernard Sunley residential development at Chiltern Park, Aylesbury, where prices range from £17,250 to £19,950. Agents Connells say "units are selling exceptionally well."

The news that the Government is to allow the special advance ceiling on mortages to rise from £13,000 to £20,000 is welcome but hardly likely to set the private house market on fire. It is around the revised ceiling that the market switches off.

Private sector malaise

THERE IS a curious malaise in *the private housing market* at the moment *except* in houses at the lower end of the price scale. *It is not difficult to see why this* should be so. There is simply not enough money around to support a buoyant market in the middle and upper ranges and what money there is is exceedingly expensive to borrow.

There have been scare stories that the market is about to take off, and some rather alarming and misleading figures from agents about by how much prices have already risen this year. The generally acceptable limit is by about 5 per cent. so far. And with mortages averag*ing around £7,000 it can be seen* that this does not represent much of a rise in the price of *the average house.*

Potential

And yet the classical signs of what should be a boom are there. Prices in most categories of house have fallen in the past two years and—except at the top—are only beginning to recover. At the same time wages have gone up by a considerable amount. Therefore *more and more people should* have been drawn into the net of *potential* house owners.

The similarities and differences of the present situation compared with the last boom make an *interesting* comparison.

The price rises in 1971/2 were quite remarkable—in 1972 alone there was an average *increase of 47 per cent.* according to the statistics prepared by the Nationwide Building Society. The rises in the boom period have been denounced by various bodies for their own end. Politically much was made of a Conservative government "allowing" prices to rise to such an extent. It could be said *that the era of gazumping and* profiteering had much to do with the Conservatives' downfall.

Those who were and are active in the housing field in helping the less fortunate pointed out the fact that fewer and fewer people were able to afford a home of their own. But *was there in fact a case for* denouncing the rises as unnatural and anti-social?

To pretend that prices reached an artificial level is to divorce the whole system from *reality.* People only pay for their house what they can afford at the time. Houses in the boom period were bought and sold at those high prices because those prices were affordable. In an open market in housing it can never be anything but otherwise. Until the dreadful day when all housing *is controlled by the Town Hall* market forces will continue to set the price levels in the *private sector.*

Much was made of the role of the building societies in what was described as the fuelling of the boom. But this was only one contributory factor. The time was ripe for a large increase in prices. In relation to incomes and to borrowing power the price of houses had hit an historical low. The message was quickly appreciated and the natural cupidity that lies in all *of us pushed on the bandwagon* to ridiculous speeds.

There can be no doubt that at the very end of the boom things had got somewhat out of hand. Prices were being asked and obtained that were above reality but simply because there was no end in sight on this new found road to riches. Many people *over-extended them*selves on their borrowing and are still paying the price. There would have had to be some cooling of the fervour even if other factors had not been introduced that firmly put an *end to this dreamland and* caused a fallback in prices. The reasons for the fallback are interesting and can still give us some pointers about the current state of the market and what it can possibly hold for the immediate future.

The boom was fuelled by not only originally low asking *prices in relation to income* but by cheap finance. There are no doubt many fond memories of the days of the 8½ per cent. mortgage. In the middle and latter part of 1973 the bad news was brought from the Building *Societies Association* to the householder. In that time the mortgage rose from 8½ per cent. to 11 per cent. and has remained there since. This came as quite a shock to those who had been buying in the boom times. Whereas they might have thought that they were borrowing up to the limit when they bought it now became apparent that they were overstretched and that some cutbacks in other *expenditure would be needed.*

Momentum

Others who might have bought the house of their *dreams* at 8½ per cent. saw it gradually floating away beyond their reach as the mortgage rate climbed. It is significant that the first cracks in the boom market were first noticed when the rate reached around the 9½ per cent. *level.* There was still some momentum left but it did not last very long.

A *report published in 1973* by the Royal Institution of Chartered Surveyors in association with the Department of the Environment showed that it was in the critical quarter up to the end of August that the cracks began to show. It was at this time that the mortgage rate began to show some bite. *Even taken in isolation mort*gage rate can, therefore, be an incentive or otherwise to activity in the market.

But after this there was more bad news to follow. The economic outlook became progressively more gloomy. After what might be called the natural slowing down in the market, 1974 showed an incredible *slow*down in turnover and further price reductions.

Then near the end of that year came the news of the oil price increases. This threw all economic forecasts out of kilter but the basic message was one of gloom. At the same time there was a drying up of funds *into the building societies which* would have provided finance for those who still had the courage to go ahead and buy. It seemed at the time that this was the end of the road.

Nothing much has changed *since that time. It is this erosion* of confidence that is preventing the price rises which under the present circumstances would normally occur. Another factor militating against rises of any significance is that real disposable incomes are not rising in line with wage levels. And—even after tax relief—the mortgage is provided out of take home pay.

The third and by no means *least important factor* is the ever increasing cost of simply running a house. The enormous rises in rates are familiar to everyone. The increases in the cost of electricity, gas and other services have also been steep. Given all these factors it would seem that while there will be a steady increase in prices particularly at the lower end of the market and a narrowing in the price band of houses bought and *sold there will be no runaway* boom.

The price of new houses must inevitable rise to reflect the increased cost of building them. By how much and to what extent it will drag up the rest of the market remains to be seen.

Joe Rennison

Thoughtful architectural design, modern planning and responsibility to public amenity can bring benefits to our cities despite stringent financial limits and demands for revenue producing space. Some of the causes of recent criticism of the profession have been eroded as grandiosity for its own sake has declined.

Spending space wisely

WITH the recent cut back in the property world, leading to the cancellation, or at least postponement, of a number of *grandiose building proposals*, the epithets aimed at the architects' contribution to post-war developments are beginning to become less strident in tone.

There is good reason why this is so. For the public there is the welcome sign that high buildings are no longer being erected for the sake of their height and thus their so-called impressiveness. Having said this, however, the need for height in the most concentrated areas of city development must not be overlooked. In an area like the hub of London, the square mile, the expansion of business and the concentration of easily accessible policy-making directorates and their personal staffs, demand (collectively) more office space while still taking advantage of decentralisation for their routine staff (I shall quote a case in more detail later).

Replaced

The City of London in particular is an easily understandable case where except for major historic monuments and churches, the fabric has been almost completely replaced about every 50 years; I know at least one site on which I have seen three succeeding buildings. We are not likely to see much difference in rebuilding in the City in future. But what has been done in the way of control is considerable. There is the Corporation's policy of grouping high buildings to the north and east of St. Paul's, taking advantage of the fact that the north east is the direction from which there are the fewest long views of the cathedral. And there is the Greater London Council's policy of preserving the view of the cathedral from the south *bank of the river by excluding* high buildings from within an imaginary wedge of a circle, the point being somewhere near County Hall. All these factors contribute as much as possible to a city environment which is *constantly and necessarily* changing but which is successfully retaining much of its ancient character within the hum and bustle of its modern functions.

New square formed by the P & O and Commercial Union buildings.

Coming to more detail in considering the aesthetic responsibilities which the public rightly see are so lacking in most cases, above ground level, it must be appreciated that a great deal has been done nearer eye-level, although it seems that so few people have the gift of an aesthetic sight which can appreciate these things. An example can be found in front of the Commercial Union Tower and its neighbour the P & O building, *both fine examples of city* architecture. There the two complementary buildings line two sides of a square, which is otherwise open and where there never was a city square before. With the planting of good forest trees, with a well-paved floor approached down a few shallow steps from St. Mary Axe and Leadenhall Street there has been provided a positively uplifting open space for the enjoyment of all; a substantial gain.

Much was said some years ago about the disappearance of these little alleyways and courts used as short cuts by both brokers and messenger boys to and from the commercial exchanges. These have indeed disappeared in a number of cases, but their place has been taken by a far more liberal provision of throughways under and beside new buildings on old sites. A major example is the link between the north end of Coleman Street and the Barbican, through the garden of Woolgate House, across Gresham Street, up the steps to the City Museum and through to the high level crossing of London Wall.

Variety

Throughout the whole of this route there is constant variety of view, much *good landscape* planting, statuary and general visual interest. The sum total has been provided by architect, artist, developer and public authority working together in a city where space is as precious as anywhere.

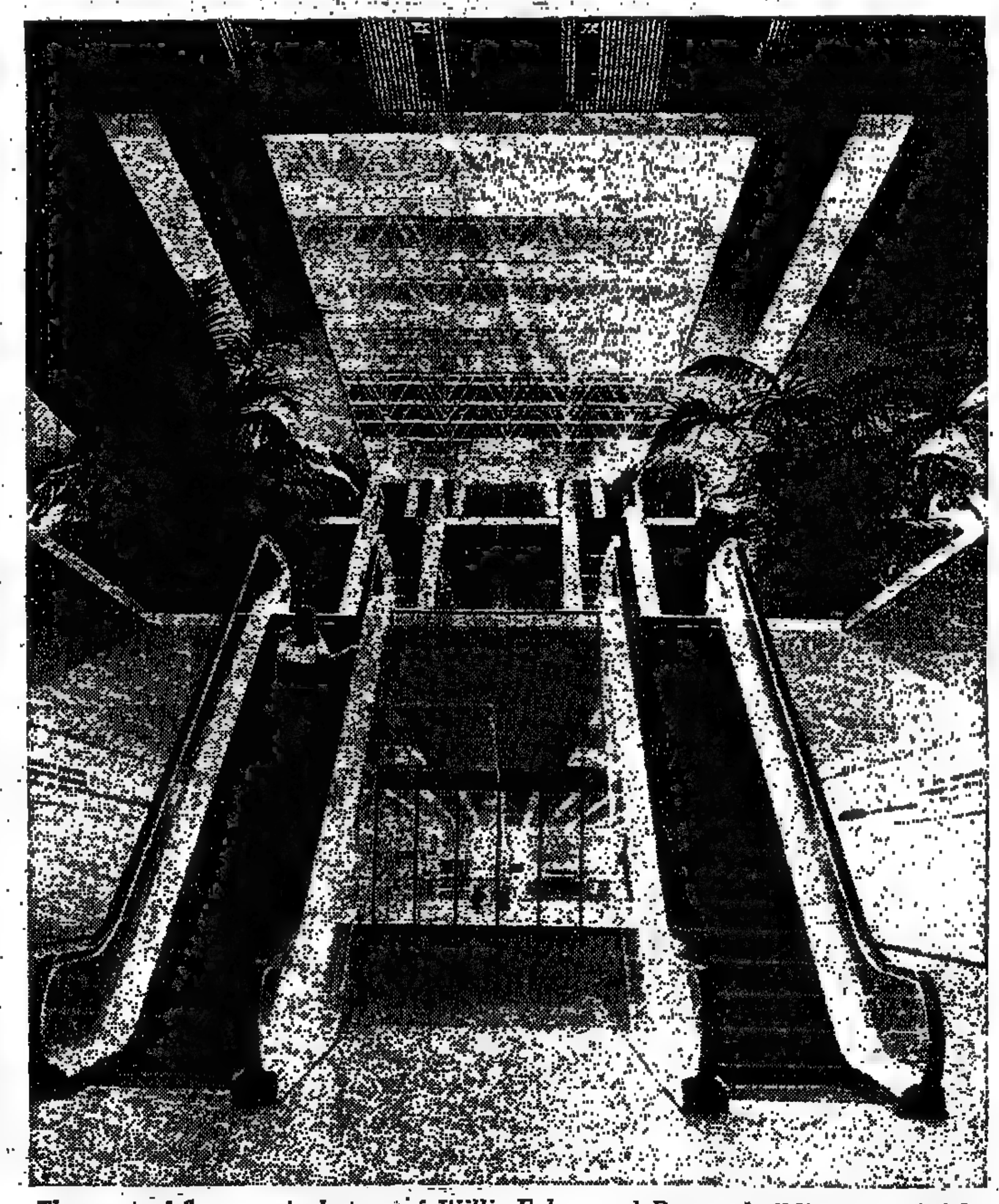
It is often a good thing to consider *spending* space wisely instead of merely *saving* it.

Another great advance on the work of previous generations is the use of the ground level of the actual building itself. A recent instance of this can be seen at the new headquarters of Sedgwick Collins the insurance brokers, in Aldgate High Street, by the architects Fitzroy Robin*son and Partners. Here a large* rectangular site bridges across the District Railway tunnel. The building comes out to the perimeter of the site in the upper storeys, supported by substantial perimeter columns. In the ground and mezzanine storey, however, the floors are confined within two separate oblong structural "cores" at right angles to each other and containing entry hall, post room, staircase and lavatories in one and a plant room, stores and staircases in the other. Almost the whole of this area below the main office floors is thus left open to the street, with vehicle and pedestrian areas paved in brown brick and enlivened by good planting, the high entrance hall being approached across this paved garden under the building.

In considering provincial cities and the provinces generally, there are now several instances of London-based firms housing their general administration some way out of London. Ipswich, in particular, seems to have attracted the world of insurance and Willis Faber and Dumas Co. have provided an interesting example of the importance of attractive amenities to compensate staff for leaving London. Their building, already reviewed in this paper, is an amazing and original conception by Foster Associates to house 1,300 staff on one highly irregular site on the edge of the town centre. Two storeys only are used as offices, each of these stretches to the extreme limit of the site and is entirely open, carpeted in lime green. The glass walls of the building form the only enclosure to the interior. *The two open office* floors are pierced in the centre by a spacious double escalator well. The top floor, limited to a relatively small space comprises the restaurant opening on to the flat roof a large part of which is grassed and planted for outdoor recreation. From the street the enclosing wall of the building, which is wholly of bronze glass panels, wraps round the curving perimeter in one continuous ribbon. The entrance opens immediately to the main hall, with the escalators silently rising and falling through the well. The view is first attracted to the lattice structure of the roof restaurant high overhead and the galleried edges of the office floors. Then past the escalators at ground level, past the coffee area behind them, through the glass screen to the swimming pool and ultimately out through the glass wall enveloping the building to the street beyond.

These few examples indicate the benefits that thoughtful architectural design, modern planning and the responsibility to public amenity, can bring about in times of financial strictures and demands for revenue producing space. Latent abilities are only waiting to be triggered off from within this hard pressed profession.

H. A. N. Brockman
Architecture Correspondent



The ground-floor central area of Willis Faber and Dumas building in Ipswich.

In Part I of this Property Survey last Monday Kerry Stephenson and Patience Wheatcroft were by-lined as writers on the Estates Gazette. In fact they are both on the Estates Times. We apologise for any embarrassment this may have caused.

Germany is to sell Brazil a ready-made nuclear energy industry. Some say this is an explosive thing to do. **By David Fishlock**

Sensitive export of sensitive technologies

THE WORLD'S first treaty in which one country agrees to provide another with a virtually ready-made nuclear energy industry—a complete package of nuclear fuel services as well as reactors—was signed in Bonn on Friday by Dr. Hans Matthoefer, West Germany's Minister for Science and Industry, and Dr. Shigeaki Ueki, Brazil's Minister for Mining and Energy. They thus brought to a conclusion six months' of negotiations since the U.S. rejected Brazil's overtures last year.

For West Germany the treaty is expected to bring three important rewards. First, it will mean export contracts for reactors and other industrial plant worth upwards of £1.9bn. Second, it will guarantee supplies of Brazilian uranium for Germany's own fast-growing nuclear industry, in the absence of any indigenous reserves. Third, the treaty will provide the first commercial demonstration of a new uranium enrichment technology which, because of its energy demands, there is almost no hope of using in Europe.

Kraftwerk Union, the Siemens-AEG joint nuclear subsidiary, will supply Brazil with eight 1,200 MW pressurised water reactors between now and 1990. STEAG and Interatom will provide the enrichment plant; and KEWA, a joint subsidiary of Bayer, Hoechst, Gelsenberg, and Nukem, will supply the reprocessing plant. In Brazil the Government recently created the State-owned nuclear group Nuclebras to manage the contracts.

Substantial as the rewards obviously will prove to be—one observer rather imaginatively describes the German delegation at a recent meeting as smugly silent with the word "Brazil" wreathed in smoke above them—the U.S. has made no secret of the fact that it objected vehemently to Germany's willingness to provide Brazil with certain "sensitive technologies." These are the technologies with which a nation can convert a perfectly innocent nuclear energy industry into a source of nuclear explosives.

There are three "sensitive technologies" associated with the nuclear fuel cycle (see accompanying diagram). One is uranium enrichment, the process by which the fissile uranium-235 component of uranium is increased from its natural level of 0.7 per cent. Another is spent-fuel reprocessing, the "recycling" process by which useful by-products — including the fissile plutonium-239—are reclaimed from the ashes of nuclear reactors. The third is heavy water production, another enrichment process which can enable some reactors to operate—and hence plutonium-239 to be made—without the need for uranium enrichment.

Secrecy

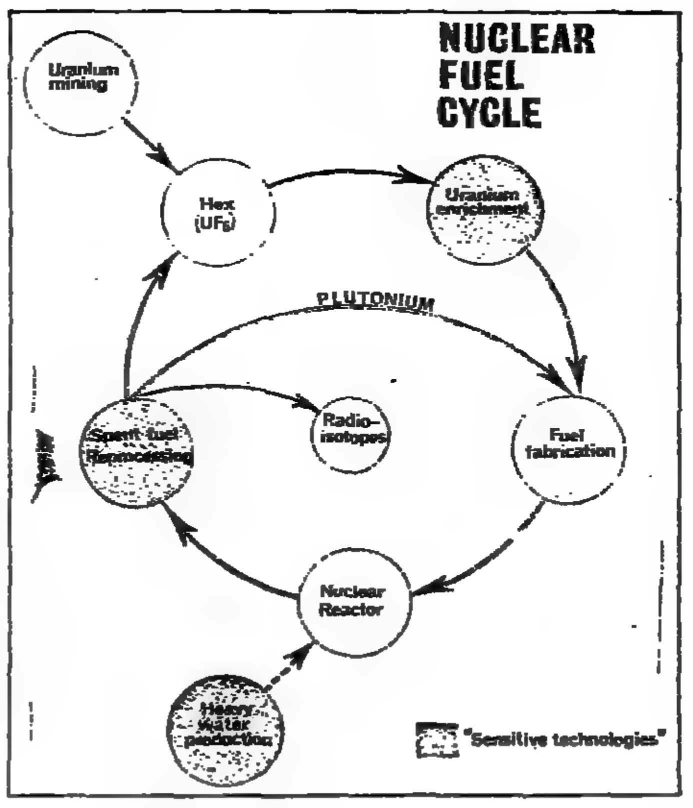
The world's primary safeguard so far against a proliferation of these three "sensitive technologies" has not been secrecy—except in the case of uranium enrichment—for both heavy water and fuel reprocessing technologies have been freely published. The main deterrent has been the sheer difficulty and expense every aspirant has experienced in the 33 years since the start of the Manhattan Project in the U.S.

For example, the Canadians have only just finished completely rebuilding their first big heavy water plant, after it had failed to work. The U.S. may have to do similarly with a $65m. reprocessing plant.

But on May 18 last year the Indian Government set off a nuclear explosion, demonstrating that third-world nations with enough determination could overcome the twin handicaps of difficulty and expense. Indian protests that its aims were to make and use "peaceful nuclear explosives" (PNE) convinced no-one. Unfortunately, from the standpoint of safeguards on nuclear explosives no useful distinction can be made between the threat posed by a PNE and by a nuclear weapon of war. The Indian PNE was an A-bomb made from plutonium-239 obtained from its Candu reactors.

The Indian explosion initiated a flurry of diplomatic activity in Washington, capital of the world's most energetic and successful nuclear exporting nation, but also the cynosure of a fierce domestic debate about the dangers of nuclear energy that ranges from reactor safety to the risks of nuclear blackmail. The U.S. found a ready ally in Canada, which made no secret of its chagrin that India had used Candu reactors to produce plutonium for its nuclear explosion.

By last autumn Washington was in bilateral discussion with six other countries, including Russia, all potential exporters of the three sensitive technologies within the foreseeable future. The aim was to try to find safeguards that might prevent a nation using its nuclear energy industry to make explosives, or using technology transferred for civil purposes to build clandestine plants making weapons.



To obtain agreement from the seven to sit round the same table required considerable negotiation. It was not a subject that could simply be left to the Non-Proliferation Treaty (NPT) review conference in Geneva last month, for the French were not signatories to the NPT and the Japanese had not ratified the treaty.

Doldrums

In many respects, the French were the most difficult of the seven to satisfy. Their nuclear industry, in the doldrums until the late 1960s, has since been radically transformed into one of the most vigorous, highly competitive with the U.S. in Europe and in several third-world nations. They have made it plain that they would tolerate no sanctions on the part of the U.S., whose reactor technology they had licensed, and were even prepared to tear up the licences and proceed alone. They also have highly developed enrichment and reprocessing technologies of their own.

Britain itself has some historical sympathy with the French point of view. The U.S. McMahon Act of 1946 debarred Britain from the technologies of the Manhattan Project, to which it had unreservedly given all its seminal work on uranium enrichment. The McMahon Act obliged Britain's post-war Labour Government to launch an independent nuclear programme in the interests of national security in both defence and energy supplies.

Washington finally got the seven round the same table in London last April, just before the Geneva NPT review conference, in what was envisaged as a series of meetings to try to seek safeguards specifically for the export of the three sensitive technologies. One condition was that the meetings should be kept secret. Ironically, this condition was broken by the U.S. itself, whence news leaked on the eve of the second meeting, mid-June. Whether a third will now take place as planned in a month or two now depends on those nations—such as the French—most sensitive about secrecy.

The purpose of these meetings was not to try to stop the German-Brazilian treaty, for it had already been agreed that any decisions would not be retroactive. It was to try to find safeguards for the situation the Germans themselves had already encountered when they asked the Brazilians for assurances that the technology transferred would not be used later for more sinister ends. In effect, the Germans were told it was none of their business.

Neither—with a single exception—were those represented concerned with the safeguarding of nuclear reactors. Canada, however, is still very sensitive about what it sees as flagrant abuse by the Indians of its readiness to transfer Candu reactor technology. The Canadians themselves have not built a reprocessing plant but have stockpiled spent fuel in what was claimed recently in London as the "largest plutonium mine in the world."

Yet it must be admitted that the seven prospective exporters of the sensitive technologies do not have many strong cards to play, short of agreeing unanimously on a policy of abstinence from sales to nations that have not signed and ratified the NPT. This certainly would not appeal to the French, who—having themselves been barred from U.S. nuclear weapons technology—take the view that they will neither help nor hinder the aspirations of other nations.

Germany, too, has made it plain that it regards its "nozzle" or stationary-wall centrifuge process of enrichment strictly as export technology. STEAG, the industrial group behind the process, talks of offers of joint ventures it has been making to all of the world's major uranium-producing nations, in government-backed efforts to secure uranium supplies for West Germany.

Neither can too much reliance be placed on the inherent difficulty and expense. Canada has published freely not only the process technology of its heavy water plants but the problems it has encountered and solved. With enrichment there is evidence that the "nozzle-type" processes being exploited by the Germans and South Africans, even though energy-hungry, may be simpler to engineer than the established enrichment techniques.

One possible approach to safeguards being explored by the club of seven is that the International Atomic Energy Agency (IAEA) in Vienna should try to work out a new system of safeguards embracing the entire nuclear fuel cycle, so that all materials—from uranium ore onwards—are accountable. Even those nations which have refused to sign the NPT have agreed to comply with IAEA safeguards so far. The plants Germany will build for Brazil are to be covered by IAEA safeguards.

Also being explored is the suggestion that exporters of complete fuel cycles might agree on a complex system of assurances first required of their customers. So far the signs are that anything useful would be very complex, would probably still have loop-holes, and would not necessarily be any more secure than IAEA safeguards on the complete fuel cycle.

Monopoly

A third approach—and one Britain favours—is that exporters of the sensitive technologies should concentrate on selling services rather than processes and plant. Canada, with virtually a world monopoly of heavy water production, would be very happy with such an arrangement. Britain is already hoping to secure sufficient cash in advance from Japanese utilities — about £150m. has been under discussion—to construct reprocessing capacity in Britain virtually exclusively for Japanese fuel.

But one-time U.S. attempts to monopolise enrichment supplies for the West, ostensibly in the interests of safeguards, met with a very cynical rejection by Britain, Germany, France and Russia, all of which have now joined the U.S. as enrichment suppliers. Any hope of success with this course of action would probably rest on the willingness of the exporting nations to build jointly-owned plants on the customer's soil, or in a region where several nations might share ownership. And it could be no guarantee that the host nation might not some day unilaterally nationalise the plant, in what it construed as "the national interest."

Letters to the Editor

Sledgehammer hits profits

From the Head of P & O European and Air Transport Division.

Sir,—May I commend Sandy McLachlan's article "Softening the Bite of Food Margin Control" (June 25) as compulsory reading for those connected with the formulation and implementation of the current U.K. Price Code.

While the article deals mainly with problems the Code has created for food manufacturers the same difficulties beset those responsible for managing vital service industries such as road haulage and coastal shipping. Moreover, transport companies face the added problem of striving to operate within the framework of a Code designed for manufacturers and retailers that has been merely botched together to deal with other situations.

After three years of controls applied with the finesse of a sledgehammer, we face a situation where the combined effect of cumulative productivity deductions, restrictions on allowable costs and delays in gaining approval for price increases has eroded profit margins to the point where U.K. domestic transport businesses are being run as wasting assets. The implications for the economy generally and employment prospects of those working in these essential industries are clear and will become increasingly evident.

If the market place in a highly competitive industry such as transport is not considered to provide a sufficient curb on excessive prices, or if political considerations demand some form of central control, then let this control be realistic and not such as will drive companies out of business. In point of fact there is a perfectly simple control already in existence in the shape of the profit margin reference level, that is the permitted margin on sales based on historic performance.

Sole mechanism

Of course, present reference levels, related as they are to times long past, are unsatisfactory. But their use as a sole control mechanism would go some way to restoring the transport industry's ability to provide the service that the nation needs, while ensuring that company profits are not excessive. What is needed to make this control practicable is a means for reviewing reference levels in light of real and significant changes in technology and methods of operation.

Analysis and approval of cases made by companies for an adjustment to their reference level would surely be a more meaningful way of using scarce Price Commission time. It certainly would be a progressive step that would allow more productive use of the time senior management currently spends in attempting to cope with the blinkered application of the present Code, which has become so complex that it is frequently difficult to get clear and timely guidance from the Commission's staff themselves.

McLachlan concludes his article by saying there are signs that officials are coming to accept that the strain of detailed interventions in pricing policies becomes intolerable when controls are maintained too long. Let us hope the implications of these signs will be recognised and acted upon before the situation becomes irrecoverable.

Rodney Leach.
P & O Building,
Leadenhall Street, E.C.3.

Productivity & production

From the Managing Director, Rhoden Partners.

Sir,—If Lombard had taken account of the distinction between "productivity" and "production" in "The productivity obsession thread" (June 26), I do not think he would argue that "high productivity is one of those good things of which we can have too much."

High productivity means a given output of "production" for relatively little labour, fuel and other inputs; it is a measure of efficiency of production and of this efficiency we can hardly have enough, for a long time to come.

There is no need to produce more than we want to have. Doing so at a high level of productivity means we conserve our resources, including labour and fuel. What is so wonderful about full employment and the right to work, except as a yardstick for paying wages? We must, in the long run, find a way of paying people for living, including but not primarily related to the activity of working, and "paying" machines (by investment) for producing goods. We shall then have no reason for demanding or promoting full employment when what we really, and rightly, want is less work and more pay—obtainable through higher productivity and mechanisation. Would that not be progress?

G. Wittenberg,
231 The Vale,
Acton, W.3.

Continuous effort

From the President, H. B. Maynard.

Sir,—May I disagree strongly with Lombard (June 26) who maintained that high productivity is "one of these good things of which we can have too much." Companies face automatic competitive death if they underestimate the importance of productivity. Any country whose productivity lags behind that of its competitors is doomed.

A higher labour output per hour and a high return on capital invested makes more money available through taxes for better education, improved healthcare and social services. If a company's productivity is low, it can only pay low wages or it cannot survive. It will have no money to invest and will pay less in taxes.

If the Japanese decide to spend more on social services, it does not follow that their productivity must drop. On the contrary, it should increase to "pay" for higher welfare spending.

Only the uninformed maintain companies should stop striving to increase productivity. After all nothing is easier. For example, you can appoint two men for every job available and thus reduce productivity.

It requires imagination and perseverence to increase productivity. This continuous effort lies at the base of all progress.

Laurens van den Muyzenberg.
140, Park Lane, W.1.

Ferrous foundry grants

From Mr. D. Hayward-Shott

Sir,—I have read with great interest Mr. Kenneth Gooding's report (June 23) of the proposed grant scheme being put to the Department of Industry by the recently formed Ferrous Foundry EDC.

The importance of iron and steel foundries as suppliers of prime components to virtually all other manufacturing and engineering industries has for long been underestimated, not least by the industry itself. It remains in the hands of some 800 firms varying in size from small to large. The rapid falls in the numbers employed and the number of foundries remaining in business, the declining annual tonnage produced and the low level of reinvestment, are well known to those closely concerned with founding but comparatively unappreciated by the ordinary taxpayer who will now have to bear some of the proposed costs. There are four points I would like to make in connection with the EDC's proposals, which as far as I know have not yet been made publicly.

The public should know at least in broad terms why this grant scheme is so desirable that it was specifically mentioned by the Chancellor in his Budget speech, and why ferrous foundries, far from being the latest in a long line of ailing industries seeking government support have in truth been ignored for too long while other causes have received massive injections of public funds. To this end I would welcome a strengthening of the public information programmes. For example the cost of virtually all consumer durables is directly influenced by the availability of adequate numbers of castings of the appropriate quality, and a shortfall of home capacity necessitating the import of cast components can lead to higher costs and reduced domestic employment.

It is vital for the future health of British engineering that plans for foundry modernisation or new castings capacity be based on detailed research into the future requirements of users in individual market sectors (diesel engines, valves, compressors, shipbuilding, ore preparation and so on), and not on the assumption that present product mixes are capable of indefinite sustainment. Advantage should also be taken of the opportunity offered by the present comparatively low level of production costs in the U.K. to investigate export opportunities—for Britain is not alone and foundry industries in other countries also have severe problems. In recent years both iron founding and steel founding have become increasingly market conscious and the EDC proposals offer an excellent opportunity for both to prove to the world at large that good marketing is an essential part of good foundry management.

The Chancellor mentioned £50m. and the EDC is reported as suggesting £63m. (As far as I am aware the only detailed research into the amount of investment needed in ferrous foundries was published by NEDO in the now well-known booklet "Iron and Steel Castings—Industrial Review to 1977.") The figures are far enough apart, bearing in mind they represent only the grant element of the proposed investment which in total will be four or five times greater, to warrant further examination. Otherwise it is possible that too many schemes will be competing for too little cash with the resultant counter-productive "in-fighting."

Finally, I hope that the foundry equipment industry will be involved at the earliest stage possible in planning its expansion to cope with the hoped-for increase in demand for its own goods and services. The much-needed investment in foundries now under discussion is a matter of national urgency and should not be delayed by any lack of availability of the requisite plant and equipment. No more than absolutely necessary should be ordered from overseas.

As my name will be known to some of your readers connected with the foundry industry, I should declare that I have had and still have an interest in the points I mention. This is an expression of personal opinion on subjects within my own experience, although its contents have been broadly approved by the company for which I work.

Derek R. Hayward-Shott.
2B Alcester Road,
Gatley, Cheadle,
Cheshire.

Economics of distribution

From the Deputy Chairman, Industry Committee for Packaging and the Environment.

Sir,—We would not disagree with Miss Christine Thomas (June 25) when she compares the relative advantages of glass and metal used as containers in the soft drink and brewery trades.

Her analysis, however, ignores one vital factor—that of the economics of distribution. Returnable glass is only economical in either money or energy terms when the bottles are returned on a regular basis. At present, this is the case in the pub trade and with milk bottles where the bottles are reused many times.

On the other hand, very substantial economies in distribution have been achieved through the development of self-service and supermarketing in the grocery trade which has largely been based on one-trip packaging. There are no facilities for handling returnable containers in these outlets. To provide them would certainly impose additional costs thus offsetting the savings which this new form of distribution has brought.

The examination of this complex issue must embrace not only the availability of materials and the energy used in their production but also the resources applied in the distribution of goods and in the recovery of packaging.

D. McLeod Baynes.
Fountain House,
1a, Elm Park,
Stanmore, Middx.

No bonus element

From Mr. D. Buckley.

Sir,—In his letter (June 26) Mr. Goslin gave Plantation Holdings as an example of a rights issue at par producing a "bonus" to shareholders. Dealings began in the new 10p shares on July 11, 1974, and there were dealings marked in the new shares, nil paid, at 28½ and 29 premium. The old shares were 39p ex rights. Mr. Goslin sold 11 months later at 39p which exactly equals the price of the new shares in July, 1974, plus the 10p issue price. Far from making a gain, therefore, he merely subscribed 10p per share for 11 months for no return, apart from one dividend.

Harold Wincott's point was that a rights issue cannot give a bonus to shareholders since the equity of the company already belongs to them. It is doubtful whether dividend limitation changes the basic principle and Mr. Goslin's example merely proves it.

Deryck Buckley.
16, Wood Ride, Petts Wood,
Orpington, Kent.

Today's Events

GENERAL

Mr. Leo Tindemans, Prime Minister of Belgium, has talks with Mr. Harold Wilson, London.
Transport and General Workers Union conference opens, Blackpool.
Mr. Elliot Richardson, U.S. Ambassador, attends "Justice" meeting, Old Hall, Lincoln's Inn, London.
Tenth Commonwealth Entomological Conference, convened by Commonwealth Agricultural Bureaux, opens Commonwealth Institute of Entomology, London.
Royal Agricultural Show opens National Agricultural Centre, Kenilworth, Warwickshire.

PARLIAMENTARY BUSINESS

House of Commons: Debate on the problems of the fishing industry, followed by Opposed Private Business.
House of Lords: Motion to designate members of the European Parliament; New Towns Bills, third reading; Fair Employment (Northern Ireland) Bill, third reading; Housing Finance (Special Provisions) Bill, report; British Leyland Bill, second reading; Social Security Benefits Up-rating Order 1975; Supplementary Benefit (determination of requirements) (No. 2) regulations 1975; Guard Dogs Bill, committee.

COMPANY RESULTS

Allied Retailers (full year).
Granada Group (half year).
Robinson Rentals (Holdings) (half year).
SGB Group (half year).

COMPANY MEETINGS

See Week's Financial Diary on page 4.

MUSIC

London Symphony Orchestra give a concert in aid of National Appeal Fund of United Nations Association. John Lill plays Brahms's second Piano Concerto, Royal Festival Hall, London

COMPANY NEWS + COMMENT

Dunford & Elliott second half warning

FROM A TURNOVER of £31.11m., group pre-tax profit of Dunford and Elliott amounted to £1.2m. for the 26 weeks to March 29, 1975. For the 35 weeks to March 30, 1974, the figures were £22.01m. and £0.91m. and for the 61 weeks to September 28, 1974, they were £48.39m and £2.09m. respectively.

As to the future, the chairman, Mr. F. Welsh, says the fall-off in demand for rolled steel products is part of a normal cycle which can be foreseen and prepared for and, as during previous recessions, is to some extent being counteracted by the present high level of activity in heavy forging and engineering.

This, he says, indicates the benefit of the group's range of activities. But, the severity of the present downturn and the overall industrial climate is such that a "significant reduction in group profits cannot be avoided in the second half of the year."

It seems likely that there will be an improvement in world trading conditions during 1976. The directors are planning to have completed all present modernisation schemes and be ready to take full advantage of this improvement when it comes. In the meantime, they hope to contain the worst effects of the current very adverse trading conditions.

The interim dividend is a same-again 1.75p per share net, payable October 1. The total for the 1973-1974 period of 14 months was 4.47p.

	26 wks. 1975 £000	35 wks. 1974 £000	61 wks. 1973-74 £000
Steel group sales	27,077	18,209	39,751
Engineering group	4,029	3,804	8,628
Total turnover	31,106	22,013	48,389
Steel group profit	2,195	1,675	3,603
Engineering group	235	*158	*157
Total trading profit	2,430	1,488	3,446
Dividends, etc.	109	314	692
Interest payable	1,336	895	1,002
Profit before tax	1,203	907	2,036
Taxation	588	472	707
Earnings	615	435	1,329
Extraord. credits	29	6	132
Attributable Ord.	644	441	1,461
Dividend	185	183	468

* Loss.

The results for 1973/74 include Brown Bayley Steels and its subsidiaries from December 18, 1973.

During the period under review the steel group management was heavily engaged in continuing the Brown Bayley development scheme. This scheme will be completed and commissioned this calendar year, so bringing to an end the considerable disruption which production suffered during a period of high demand.

The market for the rolled steel products has reduced considerably since the beginning of the second half, resulting in reduced shift working in many areas.

Mr. Welsh reports that the order book for heavy alloy forgings remains reasonably strong and this division should be able to continue throughout the year with a profitable level of activity.

Increased facilities becoming available within the steel group now enable more competitive deliveries to be offered than in the recent past.

The engineering group returned to profitability. The profits for six months are the highest ever achieved in the first half of a trading year by the Newell Dunford Group. Vigorous pursuit of exports has resulted in a record value of orders in hand, which will ensure satisfactory deliveries for the remainder of the year.

● comment

Dunford and Elliott's share price has recently been relatively weak against the market—having fallen by 32 per cent. from its 1975 high—and the interim statement explains exactly why. Although pre-tax profits for the 26 weeks to the end of March are nearly a third higher than in the 35 weeks of the comparable period, the key point is the warning that a "significant reduction," in group profits from the half-year level cannot be avoided in the second six months of the year. The problem has been a sharp downturn in demand for rolled steel products: this has been only partially offset by the current high level of activity in heavy alloy forgings—which normally follows the steel cycle by six to 12 months—and in engineering. The group hopes that the steel cycle will start picking up again by the end of 1975 or early next year. The interim dividend is unchanged, and last year's full payout would be comfortably covered by the half-time profits: at 43p, the historic yield is 13.7 per cent. Moreover, the group's high gearing is underlined by current debt of £24m. to £25m., compared with September, 1974, tangible shareholders funds of £14.83m.

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims—W. W. Ball, Barranquilla Investments, Cronite, Granada, Malit Securities, McCleery L'Amie, Robinson Rentals, SGE Group, Vectis Stone.

Finals—Allied Retailers, Marshalls (Halifax), Patent Industrial, Property Partnerships, Ratners (Jewellers), William Reed.

FUTURE DATES

Interims—

Bakers Household Stores (Leeds)	July 2
English Association of American Bond and Shareholders	July 23
Gillett Bros. Discount	July 22
Silentbloc	July 3
Standard Trust	July 16
Tribune Investment Trust	July 10

Finals—

Ingram (Harold)	July 3
L.C.P.	July 8
Latham (James)	July 7
Magnet Joinery	July 2
Parkland Textile	July 7
Siebe Gorman	July 1
Symonds Engineering	July 3
Walker and Staff	July 4
Watson (R. Kelvin)	July 2
Wyndham Engineering	July 16

Coltness still cautious

CONFIRMING his earlier cautionary review of prospects for Coltness Group, the industrial fastenings and brickmaking concern, the chairman, Mr. Eric S. Gibbons, says there is little encouragement to believe that the worst of the recession, which has developed over the past two years, is over.

He repeats that group trading for the first quarter is encouraging and in line with expectations, and the directors believe Coltness should demonstrate a "satisfactory" performance in 1975.

The industrial fastenings division continued the progress shown since the reconstruction and change of management in 1972 and for the third succesive year, this division increased its turnover and profit contribution, "reflecting the benefits of additional investment in the principal manufacturing subsidiaries and improved operating efficiency."

Referring to Pope and Pearson, a subsidiary, Mr. Gibbons reports that the directors still intend to relinquish the company's direct ownership of the brick making subsidiaries at a future date, when a suitable opportunity can be found.

As reported on June 5, taxable profit declined from £0.43m. to £0.40m. in 1974. Dividends are up from 1.259p to 1.363p net.

Midlands and East Anglia Finance, owned by Mr. Gibbons and his immediate family, holds 20.7 per cent. of the ordinary share capital.

During the year £7,000 was paid as compensation to a past director for loss of office.

Meeting, Glasgow, on July 23 at noon.

'Lags' down after 9 months

Taxable profit of The London, Australian and General Exploration Company declined from £2.97m. to £2.85m. for the nine months ended March 31, 1975. In the light of difficult trading conditions in South Africa and the U.K. the directors consider the results to be "satisfactory."

The current six months trading is expected to show some improvement, they add.

The company's year end has been changed to September 30 as a consequence of Lonrho Group's purchase in January, 1975 of 29.5 per cent. of the company's equity. LAGS has a 20 per cent. interest in Jessel Properties, which announced a net loss of £3.13m. for the six months to December 31, 1974.

Earnings per 10p share are shown to be down from 3.6p to 3.3p.

Because of the need to conserve resources for further development and the need to reduce borrowings in South Africa, there is no interim dividend. For the previous comparable period the interim was 1.312p net.

Since June 30, 1974, an amount of £1.445m. has been paid by S. A. Managed Industrial Corporation to Trade and Industry Acceptance Corporation in terms of a warranty agreement in respect of Corlett Drive Estates in South Africa. Samic is a subsidiary and Trade and Industry an associate company. A further £976,000 has to be paid in varying instalments ending April 1976. The directors are unable to state whether these amounts will be recoverable.

	Nine mths. 1974-75 £000	Nine mths. 1973-74 £000	Year to June 30, 1974 £000
Profit before tax	2,945	2,979	4,112
Tax	1,306	1,252	1,967
Profit after tax	1,639	1,727	2,144
Minorities	445	428	682
Attributable	1,194	1,299	1,462

Jefferson Smurfit

The chairman of the Jefferson Smurfit Group, Mr. Jefferson Smurfit, said at the annual meeting that the current level of output continued at a lower level than anticipated in all the major areas of business in which the company operated.

Consequently profits were well below those which we achieved in the exceptional boom conditions of last year. Notwithstanding this unless a further unforeseen deterioration in current trading took place the directors "believe the results in the current year will exceed those achieved in the financial year ended January 31, 1974."

INDEX TO COMPANY HIGHLIGHTS

Northern Goldsmiths progress

SALES FOR the first four months of the current year of The Northern Goldsmiths Company are well ahead of those of the previous year, says the chairman, Mr. R. C. Cooke. And he has no reason to suppose that further records cannot be achieved.

It is clear, he says, that the retail jewellery trade will continue to boom in the current inflationary period. Jewellery is becoming a "hard currency" acting as a hedge against inflation.

As reported on June 12 group pre-tax profit increased from £308,388 to £452,830 in the year to February 28, 1975. The profit, a record, was achieved despite spiralling operating costs, says Mr. Cooke.

With steady rises in the cost of stocking goods, a certain strain was placed on the cash flow, but by the end of the year the position had resolved itself to such a degree that the directors were again on the acquisition trail.

In their opinion the market values of properties substantially exceed book values and it is intended to have them valued in the current year.

Meeting, Newcastle-upon-Tyne, July 22 at 10.45 a.m.

Duple sees somewhat lower profit

ANNOUNCING pre-tax profit of Duple International, formerly Cranleigh Group, up by £45,074 to £153,888 for the half-year to February 2, 1975, the directors forecast a "satisfactory" year-end result, although somewhat lower than last year's £771,869.

As before there is no interim dividend. The last dividend—0.75p net—was paid for 1972/73.

	Half year 1974-75 £	Half year 1973-74 £
Turnover	3,656,386	3,676,123
Pre-tax profit	153,888	108,814
Tax	87,041	60,300
Net profit	66,847	48,514
Extraordinary debits*	248,123	6,846
Attributable loss	181,276	†41,668

* Includes loss on sale of shares in associate company and provision for estimated loss of foreign exchange. † Profit.

Wrighton slumps to £283,365

After falling from £379,200 to £201,300 in the first half, taxable profits of furniture makers, F. Wrighton and Sons (Associated Companies), finished the year to March 31 1975 down from £705,420 to £283,365.

The dividend is raised from 0.9849p to 0.985p net equal to 15.15 (14.7) per cent. gross.

	1974-75 £	1973-74 £
Group turnover	6,876,106	7,806,957
Trading profits	283,365	705,420
Taxation	177,929	338,243
To deferred tax	—	28,500
Preference dividend	4,812	4,812
Ordinary	44,330	44,330
To general reserve	—	300,000
Carried forward	40,123	340,135

Construction prospects at Charles Hill

The directors of Charles Hill of Bristol have every confidence in the ability of the management of the construction companies to make these operations profitable again, says Mr. Richard Hill, chairman, in his annual statement.

Construction, part of the civil engineering, building, property development, textured coatings and plant hire division, contributed £7.53m. to the group's turnover of £13.28m. in 1974. This division incurred a trading loss of £0.47m. during the year, compared with a group loss of £0.87m.

A breakdown of turnover and trading profit in other divisions shows: ship repairing, shipbuilding and engineering £3.52m. and £0.29m., transport and other services £2.23m. and £0.13m., and holding company expenses less income nil and £40,690 loss.

There was a pre-tax loss for the year of £0.15m. (£0.27m.). Dividend is 3.6p (4.11p) net.

In his statement now Mr. Hill reports that it has not yet proved possible to determine the amount of compensation payable to Charles Hill and Sons by the Bristol Corporation for 1973 and 1974 under the terms of the agreement linked to the Bristol Corporation Act 1971.

M. K. ELECTRIC

Turnover of M.K. Electric Holdings increased from £18,429,688 to £21,586,329 in the year ended March 31, 1975. The figure of £22,549,176 shown for 1974-75 in last Thursday's report was incorrectly put out by the company.

Francis Sumner confident

An increase in external sales for the first four months of the current year is announced by Mr. Max Maimann, chairman of Francis Sumner (Holdings), the textile, engineering and offshore exploration services group.

Difficult trading conditions affected the order position of the group operating companies but, says Mr. Maimann, the forward group order book—although down on last year's record figures—is considered satisfactory. He is confident of being able to present again a satisfactory report in 12 months time.

During the year it was decided that in view of the specialised development of the Lloyds British Testing subsidiary — closely involved with servicing the North Sea exploration and fuel industries—the business of hiring out mobile cranes should be discontinued. As a result, Hiracrane was sold: the servicing division being retained and transferred to L. B. Engineering Services, part of Lloyds British Testing.

The group's capital expenditure for the year, financed out of the sale of Hiracrane and other plant and property sales within the group, was £350,929, of which £310,152 was used to purchase new plant and equipment.

As reported on May 23, pre-tax profit for 1974 was £906,595 (£833,283) and sales to third parties £12,691,682 (£10,212,792). A one-for-ten scrip is proposed. The dividend is up from 0.659p to 0.722p net.

A total of 1.4 per cent. (two per cent.) of group sales was exported.

Future capital expenditure contracted for but not provided in the accounts totals £53,000 (£71,000); authorised but not contracted for nil (£8,000).

Meeting Great Eastern Hotel, E.C., on July 22 at 10.30 a.m.

FT Share Information Service

The following securities have been added to the Share Information Services appearing in the Financial Times:—

Deelkraal Gold Mining (Section: Mines-Far West Rand).

Ewart New Northern (Section: Property).

Hewden-Stuart Plant 7 per cent. Conv. Uns. Loan Stk. 1995 (Section: Buildings).

ISSUE NEWS AND COMMENT

Walter Lawrence placing at 55p

Arrangements have been completed by brokers Sheppards and Chase for the placing of 800,000 Ordinary 25p shares in Walter Lawrence at 55p per share.

The activities of the group cover building and contracting, the manufacturer of joinery and timber products, engineering, plant hire and property investment and development.

Over the last five years turnover of building and contracting has risen from £6.32m. to £16.27m. (while for the first six months of the current year the figure was £8.41m.), of Joinery and Timber products from £0.8m. to £1.06m. (and £0.64m.), of Engineering from £0.22m. to £0.29m. (and £0.24m.), and of Plant Hire for the last two years from £0.07m. to £0.22m. (and £0.14m.).

Total profits after exceptional items over this five year period have moved from £103,000 to £782,000 while for the first six months the figure was £183,000. For the full year, profits are forecast at £800,000 (after an exceptional debit of £220,000).

On the basis of these profits the directors expect to pay dividends totalling 4.5p which at the placing level would give a gross yield of 12.6 per cent.

● comment

Despite losses on the joinery side, Lawrence is to show growth of some 9 per cent. (after exceptional items) thanks to the completion cycle of contracts taken in buoyant times. The current work load is up to 1974 levels but margins being taken here are lower. Moreover, the limited size of the company does restrict it to the small-to-medium type of contract and this is the area the larger contractors will be looking to to keep work forces ticking over during the lull in high value work. That suggests a tough ride and limited growth prospects—in line with the sector in general—in the short term. As such, a placing would have been the only way open to the company to gain public status. The market after all has completely fallen away since the terms were fixed (they were revised downwards by 5p at the last stage) but the yield level now of 12.6 per cent. should prove a useful prop for the shares.

BIDS AND DEALS

Berkeley Hambro takes 5 year French option

Berkeley Hambro, a partner with Bishopsgate Property and General Investments in B and C Property (Europe)—a Dutch company—is taking a five-year option to buy Bishopsgate's 50 per cent. interest in B and C for Fls.1.45m.

Bishopsgate, an investment trust, announced on Friday that it was not paying an interim dividend this year and had made a pre-tax loss of £412,832 in the six months to December 31, 1974 which, after tax credits and including its share of the losses of associates, amounted to a loss of £367,963 as opposed to a profit in the corresponding six months last year of £364,000.

The company estimates its net asset value per share at 69p a share (243p) and says that present indications are that revenue results for the year to June 30 will be similar to those for the first six months.

Bishopsgate says that it has therefore decided that B and C represents too large a proportion of its resources, and has asked Berkeley Hambro for help in resolving the problem.

Berkeley Hambro has decided to concentrate its attention on the French programme, which already has 53 per cent. by value of its properties let. In addition to its five-year option BH will assume responsibility for Frs.17.35m. of foreign currency/loans and for guarantees given by Bishopsgate totalling Frs.97.325m., of which Frs.31m. was already the joint liability of the two companies. This compares with the total cost of B and C's French investments, mostly funded by local borrowing, of Frs.280m.

Bishopsgate will bear its share of any deficit for the year 1975 on the French programme, but any amount advanced by Bishopsgate for this purpose will be added to the amount to be paid by Berkeley Hambro if it chooses to exercise its option.

The terms also provide that Bishopsgate will make up any deficiency on the cost of the French properties if a deficiency is revealed by a revaluation of these properties in 1980. The maximum amount for which Bishopsgate will be liable in that event has been fixed at Frs.17.35m.

Bishopsgate's participation in the German properties and in one Dutch site is not affected by these arrangements and should BH exercise its option it will account to Bishopsgate for any part of the profit on these properties that would have been attributable to Bishopsgate had the option not been exercised.

SHARE STAKES

Interests of Slater Walker Securities and its subsidiaries, investment trusts etc. in Cairnton Investment Trust as at June 9, was 273,000 Ordinary shares (15.44 per cent.). This is not a disclosure under the companies act.

Charente Steam Ship Company acquired a further 45,000 Burco Dean Ordinary shares between June 3 and 13. Total holding is 1,185,000 shares (18.7 per cent.).

London and Manchester Assurance Company has increased its holding of Initial Services 8½ per cent. preference shares to 90,000 (22.5 per cent.).

London and Aberdeen Trust—Foreign and Colonial Investment is the beneficial holder of 945,000 Ordinary shares of London and Aberdeen representing 12 per cent. of the equity.

Davis Interests (Jersey) is the beneficial owner of 1,459,600 Burma Mines Ordinary shares—10.78 per cent. of the equity.

Pentos has acquired a further 5,000 Concrete Ordinary shares bringing its total holding to 1,960,334 shares (about 21.08 per cent.).

G. F. LOVELL SEEKS ADVICE

The directors of G. F. Lovell have announced that it is seeking outside advice on the 11p a share offer by Hills London Shops and that shareholders will be circularised shortly.

Hills has already bought from Sterling Industrial Ssecurities a 70 per cent. holding in Lovell.

WHITEHALL MACHINERY

Whitehall Machinery (in the Dickinson Robinson Group), has acquired the business of Peters Packaging, of Slough, Bucks., and with it the sole manufacturing and selling rights of a wide range of well-known machinery in the labelling field.

Whitehall Machinery, well established in the heat-seal packaging business will now also make and sell internationally (excluding the U.S.), Pony Labelrite, Diver-Somatic and Autolabeler labelling machines.

ALEX. HOWDEN

Alexander Howden Group and Colonia Insurance Group of West Germany, have concluded an agreement under which Sphere Drake (Underwriting)—a wholly owned subsidiary of Howden will act as underwriting managers in the U.K. for all classes of non-life business on behalf of Colonia through a new company, Colonia Insurance Company (U.K.) which is now being formed.

Colonia (U.K.) will have a fully paid capital of £1m. and its Board will include members from Colonia Versicherung A.G. and Howden Group.

AA ASPHALT

Anglo American Asphalt Co. and W. and J. Glossop announce that the sale of Johnson Bros. (Aylesford), Anglo American Asphalt (Bitumens) and certain assets of Anglo American Asphalt (Western) to Glossop has been completd.

ASSOCIATES DEALS

Rowe and Pitman Hurst Brown bought on behalf of Hambros Bank, associates of Thorn Electrical 30,000 Sheffield Twist Drill and Steel Ordinary at 91p.

Joseph Sebag and Co. bought on behalf of Adwest Group 70,000

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Pending dividends

For the convenience of readers, the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent. shown in the column headed "Announcement last year." Preliminary profit figures usually accompany final dividend announcements.

	Date	Announcement last year
D Intl	July 2	Final 8.6
VP Industs.	Aug. 2	Final 5%
trix	July 10	Final 12.4%
lexanders Discount	July 7	Int. 3.6%
ssoc. Newspapers	July 9	Final 15.95%
arclays Bank	July 26	Int. 6%
arrow Hepburn	Aug. 2	Int. 7.8%
ath and Portland	July 9	Int. 6%
ibby (J.)	Aug. 19	Int. 2.5%
rit.-American Tobacco	July 26	Sec. Int. 20.9%
ritish Sugar	Aug. 1	Int. 5.0%
rown Boveri Kent	July 1	Final due
rown (John)	June 28	Final 16.6%
able Trust	July 25	Int. 3.3%
apital and Counties	July 26	Final 9%
hubb	July 2	Final 15.9%
oncrete	July 16	Final 16%
orah	Aug. 7	Int. 5.7% ‡
aily Mail & General Tst.	July 10	Final 16.2%
avy Intnl.	July 24	Final 21%
istillers	July 18	Final 0.1%
owty	July 25	Final 7.1%
airey	July 30	Final 8.6%
itch Lovell	July 21	Final 12.9%
odens	July 28	Final 9.4%
en. Accident	Aug. 7	Int. 16.1%
eneral Electric	July 3	Final 10.9%
estetner	July 25	Int. 8.6%
rowed	Aug. 7	Int. 14.0%
ranada	June 30	Int. 7.1%
t. Universal Stores	July 18	Final 18.9%
all-Thermotank	July 22	Int. 5.5%
oover	Aug. 8	Int. 34.1%
awden Group	July 10	Final 16.8%
linsworth Morris	Aug. 1	Int. 4%
perial Gp.	July 10	Int. 10.4%
chcape	July 25	Final 5.8
ltial Services	June 21	Final 13.7%
International Timber	July 10	Final 16.6%
verusk	July 23	Int. 3.7%
ohns (John I.)	Aug. 7	Int. 3½%
ames (John)	Aug. 8	Final 7.3%
eyser Ullmann	July 10	Final 22.5%
Kuala Lumpur Kepong	July 29	Int. 5%
*LCP	July 8	Final 11%
LRC Intnl	July 31	Final 27.1%
Macpherson (D.)	July 10	Int. 4.5%
Magnet Joinery	July 2	Final 10.6%
Maple Macowards	May 1	Final 11%
Mercury Securities	July 3	Final 15.4%
Meyer (M. L.)	July 17	Final 6.5%
Midland Bank	July 19	Int. 6.3
Natl Westmnstr. Bank	July 23	Int. 6%
Prestige	Aug. 6	Int. 8.3%
Rank Organisation	July 22	Int. 13%
*Redland	July 3	Final 10%
*Renold	July 2	Final 6.5%
Richardsons Westgarth	July 16	Final 8.9%
*Robinson Rentals	June 30	Int. 14.4%
Ropner Hldgs.	July 9	Final 4.4%
*Rothmans Intnl.	July 1	Final 7.1%
Rothschild Inv. Trust	July 9	Final 10%
*SGB	June 30	Int. 10.7%
Scot. & Newcastle Breweries	July 11	Final 11.6%
*Selection Tst.	July 2	Final 50.6%
Standard and Chartered	June 17	Final 9.1%
Stenhouse	July 19	Int. 8.2%
Taylor Woodrow	July 29	Int. 7.8%
Thorn Elect.	July 17	Final 19.9%
Trust Houses Forte	July 17	Int. 16.4%
Unigate	July 24	Final 8.4%
*Union Discount	July 16	Int. 7.5%
United Dominions Tst.	Aug. 8	Final 9.6%
Ward and Goldstone	July 8	Final 19.7%
Western Mining	Aug. 7	Final 8%
Westinghouse Brake	July 29	Int. 3.8%
Wilkinson Match	July 25	Final 6.2%
Witter (Thos.)	Aug. 8	Int. 4.2%

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

Local Authority Investments

LOCAL AUTHORITY loan rates strengthened in most temporary and short-term mortgage periods last week, reflecting the strength of rates in the short-term London money market as a whole.

Deposits with local authorities at 7-days' notice hardened to 9¼-9½, from the previous Friday's 9-9¼ per cent., and one-month deposits rose to 9¾-9⅞ per cent., from 9½-9¾ per cent., but three-month were at 9⅞ per cent., against 9¾-9⅞ per cent., though the one-year rate increased to 11⅞-12 per cent., from 11⅝-11¾ per cent.

The Financial Times Government Securities Index continued to remain firm, however, gaining 0.17 points on the week to 58.33, in spite of official sales of gilt-edged stocks, and touching 58.94 on Wednesday.

One-year local authority bonds were placed during the week at 99¼ per cent., with a coupon of 11⅛ per cent., to offer a return ⅛ per cent. greater than that on the previous week's batch.

*Rate (%) June 27, 1975

2 days' notice (deposit receipt)	9¼ — 9⅜
7 days' notice (deposit receipt)	9⅜ — 9½
7 days' notice after one month (deposit receipt)	9⅝ — 9⅞
7 days' notice after three months (deposit receipt)	9⅞
7 days' notice after six months (deposit receipt)	10 — 10⅛
Mortgage at one month's mutual notice after 11 months	11⅞ — 12
Mortgage at one month's lender notice after 11 months nominal term 2-5 years	n.a.
2 years' mortgage	12⅞ — 13⅛†
3 years' mortgage	13⅜ — 13⅝†
4 years' mortgage	14 — 14⅛†
5 years' mortgage	14¼ — 14⅜†
6-10 years' mortgage	n.a.
11-30 years' mortgage	n.a.

* Rates are for sums not less than £20,000 and are subject to local variations and fluctuations. † Nominal. ‡ Shorter periods may attract higher rates than longer. n.a. Not available.

Public Works Loan Board rates

(Effective from June 21, 1975)

Years	Quota loans Repaid By instalments	Quota loans Repaid At maturity	Non-quota loans Repaid By instalments	Non-quota loans Repaid At maturity
Up to 5	10⅞	11⅛	12⅛	13
Over 5, up to 10	11⅝	13⅛	13	13⅞
Over 10, up to 15	12⅞	14⅛	13⅞	14⅞
Over 15, up to 25	13⅞	14⅜	14	15⅞
Over 25	14⅛	14⅞	15⅛	15

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or —	Div. & Amount	Times covered	Gross Yield	P/E Ratio
[illegible]	F.P.	[illegible]	172	165	Airwyd & Smithers	165					
[illegible]	F.P.	11/7	45	40	Clive Discount	48	[illegible]	[illegible]	[illegible]	9.6	
[illegible]	F.P.		[illegible]	[illegible]	Gen. Cas. Inc.	[illegible]		[illegible]	[illegible]	4.4	

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price £	+ or —
[illegible]					Agricultural Mortgage 11¾ 1976	[illegible]	
[illegible]					Allied Irish 10½ Conv. Ln. 1985	[illegible]	
[illegible]					Barclays Bank Int. 9½ Capital Notes 1990	[illegible]	
[illegible]					City of Westminster 13% Red. St. 1981	[illegible]	
[illegible]					Colne Valley Water 9% Red. Pref. 1980	[illegible]	
[illegible]					East Surrey Water 9% Red. Pref. 1980	[illegible]	
[illegible]					Folkestone Dist. Water 9% Red. Pref. 1980	[illegible]	
[illegible]					Grangers 9½ Bonds 1980	[illegible]	
[illegible]					London Cnty. 13% 1980	[illegible]	
[illegible]					Mid-Kent Water 9% Pref. 1980	[illegible]	
[illegible]					Mid-Southern Water 9% Pref. 1980	[illegible]	
[illegible]					Norsk Hydro 9% Bds. 1985	[illegible]	
[illegible]					N. Atlantic Secs. 7½ Cnv. 1986	[illegible]	
[illegible]					N. Surrey Water 9% Red. Pf. 1980	[illegible]	
[illegible]					Prop. Hldgs. & Inv. 8% Cnv. 1990	[illegible]	
[illegible]					Rickmansworth & Uxbridge 10½ Pf. 1980	[illegible]	
[illegible]					Southend-on-Sea 12% 1981	[illegible]	
[illegible]					Sutton District Water 10% Pf. 1980	[illegible]	
[illegible]					Waterford Glass 10% Conv. Cum. Red. Pref.	[illegible]	
[illegible]					Worth (Bond) 12% Conv. 1985	[illegible]	
[illegible]					Yorks Chems. 12½ Conv. Uns.	[illegible]	

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or —
[illegible]					Associated Biscuit	[illegible]	
[illegible]					Associated Engineering	[illegible]	
[illegible]					Barrow Hepburn	[illegible]	
[illegible]					Bell (A.)	[illegible]	
[illegible]					Beral Jacques	[illegible]	
[illegible]					Carless Capel	[illegible]	
[illegible]					Commercial Bank of Australia	[illegible]	
[illegible]					Dupont	[illegible]	
[illegible]					Ellis Grp. of Peterboro	[illegible]	
[illegible]					Ever Ready	[illegible]	
[illegible]					Glaxo	[illegible]	
[illegible]					Gordon Johnson-Stevens	[illegible]	
[illegible]					Hawkins & Tipson	[illegible]	
[illegible]					Hestair	[illegible]	
[illegible]					Macarthys Pharm.	[illegible]	
[illegible]					Marshalls Universal	[illegible]	
[illegible]					Norsk Hydro	[illegible]	
[illegible]					NSS Newsagents	[illegible]	
[illegible]					Nurdin Peacock	[illegible]	
[illegible]					Phoenix Assurance	[illegible]	
[illegible]					Premier Cons. Oilfields	[illegible]	
[illegible]					Prudential Ass.	[illegible]	
[illegible]					Richard & Wallington	[illegible]	
[illegible]					Rush Ravenstern	[illegible]	
[illegible]					Sun Alliance	[illegible]	
[illegible]					Sydney Oil & Gas U.K.	[illegible]	
[illegible]					U.K. Optical	[illegible]	
[illegible]					Vosper	[illegible]	

Renunciation date usually last day for dealing free of stamp duty. [illegible]

INTERNATIONAL COMPANY NEWS

Short-term slump at CFP

BY RUPERT CORNWELL PARIS, June 29.

COMPAGNIE FRANCAISE des Petroles, France's largest oil group, has reported sharply lower sales in the first part of 1975 and is not expecting any substantial upturn until the third quarter at the earliest.

In the first three months, CFP president M. Rene Granier de Lilliac told the annual meeting turnover was down by 30 per cent. and in volume terms was *running around 25 per cent.* below the quarterly average for 1974.

The decline is showing signs of abating in the present quarter, but it is only later on that CFP *is anticipating a real improvement.*

The company is being very cautious about its profits outlook after a rise of 59 per cent. in consolidated income to Frs.1.4bn. last year, mainly because of the uncertainty surrounding the end of the present recession which accounts for the decline in demand experienced so far.

However, M. Granier de Lilliac was quietly hopeful that the changing attitudes of producer *states might bring some relief.* Faced with mounting problems in selling their oil, they were less easger to take full control of the industry on their territory.

"The fact that the companies can provide large-scale and secure outlets should be acknowledged as essential in the negotiations now pending and should justify a relationship on a fairer basis for the companies," he said.

CFP (as did its refining subsidiary Compagnie Francaise de Raffinage) warned against the present attacks levelled at the oil business, and the unrealistically low fixing of domestic prices which has already led to a sharp decline in the results turned in by other French oil companies.

CFR president M. Paul Crosnier, explaining his company's report of a "no profit no loss" outcome for 1974, coupled with a worsening of its debt position, blamed this entirely on the refusal of the Government, in the interests of its anti-inflation programme, to permit the industry to pass on the full increase in the cost of crude oil since the five-fold jump in prices at the end of 1973.

Montefibre-Snia link

BY ANTHONY ROBINSON ROME, June 29.

ITALY'S TWO major fibre and textile groups Montefibre of the Montedison group and Snia Viscosa, in which Montedison is the major shareholder, have now become in all practical terms one co-ordinated unit through the promotion of Snia managing director *Mario Schimberni* to the post of chairman of Montefibre. He replaced Sig Carlo Gritti who has left Montefibre to take charge of Montedison's reorganisation into a full holding company structure.

Montefibre lost L8.3bn. on a turnover of L244bn. last year while Snia Viscosa reported a L4.3bn. profit on turnover of L366bn. The combined turnover of L610bn. (£425m.) makes Snia Montefibre one of the biggest fibre groups in the world.

Firstly priority of the combined group is to rapidly close down existing obsolete plant, concentrate production in new plants, such as the joint venture between ENI and Montifibre at Ottana in Sardinia, and step up the production and sales activities of foreign subsidiaries in the U.K. (where Snia has a major plant at Sligo) France, Spain and Belgium.

Aluminium merger move turned down

By Leslie Colitt

BERLIN, June 29.

IN A DECISION widely expected by the West German aluminium industry, the Economics Minister to-day turned down the merger bid by the Kaiser, Preussag and Viag Aluminium companies.

Herr Hans Friderichs, Minister of Economics, acted on recommendations of the West German Monopolies Commission. His move was foreshadowed by the earlier rejection of the merger *(without having legal force)*, by the Federal Cartel Office in West Berlin. The Cartel Office is an agency of the Economics Ministry but in the past the two have had frequent differences of opinion on what constitutes abuse by industry of monopolistic conditions.

The decision was taken as the merger could not be justified in the interest of "public welfare," according to Herr Friderichs. In addition, it was by no means certain the merger would have permanently secured employment in the factories and regions involved.

Reuter reports from Hamburg: The city of Hamburg will take over Reynolds Aluminiumwerke from its current 90 per cent. owner Reynolds Metals, Hamburg economics senator Helmuth Kern said.

The German State-owned Vereinigte Aluminiumwerke (VAW) and the Austrian Vereinigte Metallwerke Ranshofen-berndorf will take shares in operating the plant together with the City of Hamburg and Reynolds, he said.

Swedish steel joint venture

By William Dullforce

STOCKHOLM, June 29.

STORA KOPPARBERG, the steel and forestry concern, and Norrbottens Jarnverk (NJA), the state-owned steel company, are forming a joint company to plan a new hot strip rolling mill at Gavle on Sweden's *east coast.* According to a joint announcement the partners estimate that a capital investment of between Kr.1.5bn. and Kr.2bn. (£170-£225m.) will be required for the *first stage of the project.*

At the end of this stage the new mill would have a capacity of 1m. tonnes a year, which could later be doubled. Raw steel for the rolling mill would be supplied by NJA's projected new 4m.-tonne steel works to be built at Luleaa on the coast north of Gavle. The major part of the mill's products would be processed into galvanised and plastic-coated plate at Stora Kopparberg's Domnarvet steel works, inland from Gavle.

NJA is also discussing with the German Krupps concern a *joint project for another rolling mill,* which would take its raw material from the new steel works NJA said however that the two mills were separate projects and the one did not preclude the other.

Last year Stora Kopparberg's steel sector made a pre-tax profit of Kr.67.4m. (£7.5m.) on a Kr.2bn. (£225m.) turnover, while NJA showed a Kr.23.8m. (£2.7m.) loss on sales of Kr.994m. (£111m.).

World Economic Indicators

EXTERNAL TRADE

		May '75	April '75	March '75	May '74
U.K. £m.	Exports	1,586	1,366	1,540	1,385
	Imports	1,602	1,655	1,658	2,002
	Balance	—16	—650	789	—617
France Frs. m.	Exports	17,836	20,812	19,693	19,780
	Imports	16,625	19,862	19,108	22,239
	Balance	1,211	950	585	2,459
U.S. $m.	Exports	8,145.1	8,569.6	8,715.9	7,652.4
	Imports	7,093.4	8,012.8	7,335.6	8,264.5
	Balance	1,051.7	556.8	1,380.3	—612.1
Japan $m.	Exports	4,310	4,740	4,987	4,530
	Imports	4,310	4,090	4,198	5,110
	Balance	nil	650	789	—580
W. Germany DM bn.	Exports	17.50	19.69	17.53	20.96
	Imports	14.25	16.88	14.09	16.08
	Balance	3.30	2.80	3.44	4.88
		April '75	March '75	Feb. '75	April '74
Italy Lire bn.	Exports	1,761	1,877	1,719	1,567
	Imports	1,870	2,088	1,763	2,382
	Balance	—109	—211	—44	—815
		Feb. '75	Jan. '75	Dec. '74	Feb. '74
Holland Fl. m.	Exports	5,853	6,767	6,264	5,539
	Imports	6,133	6,581	6,138	5,421
	Balance	—280	186	126	118

Money & Exchanges

Short-term interest rates tended to strengthen in the money market yesterday, against the background of rising U.S. dollar interest rates and the weakness of the sterling exchange rate. The one-month sterling certificate yield rose to 9¾-9⅞ per cent., from the previous 9⅝-9¾ per cent., the three-month to 9⅞-9⅞ per cent., from 9¾-9⅞ per cent., and the one-year to 11⅛-10⅞ per cent., from 10¾-10⅞ per cent. Day-to-day credit was in short supply for the most part, with gilt-edged settlements again carrying money out of the market, and although the authorities sold a moderate amount of Treasury bills on Wednesday, to absorb surplus funds, they bought Treasury bills to a moderate extent on Monday and to a very large extent on Tuesday, while on Thursday and on Friday making large loans to the Discount houses until to-day, at the Bank of England Minimum Lending Rate of 10 per cent. It of official interest policy. At the Treasury bill tender, nevertheless, there was a rise in the average rate of discount of 0.0732 per cent.

Bank of England Minimum Lending Rate 10%
(Since May 2, 1975)

seemed that the authorities' lending was not meant as a signal to 9.4862 per cent., a level within *a relatively close margin of that* (9.50 per cent. plus) required to raise the MLR under the ordinary working of the system. The record £350m. bills on offer were allotted, while this week the relatively large amount of £300m. will be on tender.

Sterling reached its worst-ever levels against currencies in general in the foreign exchange market, with its trade-weighted average depreciation against ten units since the Washington Currency Agreement widening to 27.8 per cent. on the Bank of England calculation, from 26.3 per cent. In terms of the dollar, the pound fell 490 points (over 2 per cent.) to $2.2245-2.2255. Behind the pound's fall was a stronger tendency in U.S. dollar interest rates, (reflected in a narrowing to 2.15c. in the three-month discount on sterling over the dollar, from 2.52c) as well as concern over the U.K. economic outlook. The Bank of England gave some assistance.

Gold rose $2¼ an ounce on balance in London to $164¾-165¾, ahead of to-day's auction of 0.5m. ounces from official U.S. gold stocks. The Krugerrand strengthened in domestic business to £85¼-85¾, from £78¾-79¾, with the premium over its gold content rising to 16¾ per cent., from 10⅞.

EXCHANGE CROSS-RATES

June 27	Frankfurt	New York	Paris	Brussels	London	A'merdam	Zurich
Frankf't.	—	2.3500-15	58.34-44	6.47-8	5.23-24	96.65-73	96.34-16
N. York	42.55-58	—	24.80-85	2.641-845	2.222-225	41.12-15	38.95-97
Paris	171.25-65	4.0197-0297	—	11.4575-4825	8.887-.0125	165.30-70	161.0-40
Brussels	14.92-98	36.09-14	8.70-74	—	78.36-65	14.42-47	14.01-07
London	5.22¾-25¾	2.2245-55	8.954-964	78.25-45	—	5.41¾-42¾	5.65¾-66¾
Am'erdam	103.485-535	2.4307-32	60.425-475	6.9295-9545	5.4275-452	—	97.275-525
Zurich	106.24-43	2.499-501	62.06-15	7.1175-1385	5.554-5656	102.75-23	—

U.S.$ in Montreal. U.S. $=102.94-96 Canadian cents
Canadian $ in New York. $C1=97.05-07 U.S. cents. U.S. $ in Milan 682.80.
Sterling in Milan 1406.90.

EURO-CURRENCY INTEREST RATES*

June 27 1975	Sterling	U.S.Dollar	Canadian Dollar	Dutch guilder	W.German mark	Swiss franc
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days' notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One Year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Euro-French deposit rate short-term [illegible]
The following nominal rates were quoted for London dollar certificates of deposit: [illegible]
* Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days' notice for guilders and Swiss francs.

MONEY RATES

June 27 1975	Sterling Certificate of deposits	Inter-bank	Local Authority deposits	Local Auth. negotiable bonds	Finance house deposits	Company deposits	Discount market deposits	Treasury bills ◆	Bank bills ◆	Fine trade bills ◆
Overnight	—	9-9¾	—	—	—	10-10¼	6¾-9¾	—	—	—
2 days notice	—	—	9¼-9⅜	—	—	—	—	—	—	—
7 days or 7 days notice	—	9¼-9⅜	9⅜-9½	—	—	—	[illegible]	—	—	—
One month	9¾-9⅞	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—

† Local Authority and finance houses seven days' notice, others seven days' fixed. [illegible]
◆ The rate given in Saturday's edition was incorrect.

GOLD MARKET

	June 27 1975	June 21 1975
Gold Bullion (a fine ounce): Close	$164½-165½	$163¾-164¾
Opening	[illegible]	[illegible]
Morning fixing	[illegible]	[illegible]
Afternoon fixing	[illegible]	[illegible]
Gold coins domestically: Krugerrand	[illegible]	[illegible]
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
Gold coins internationally: Krugerrand	[illegible]	[illegible]
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
$20 Eagles	[illegible]	[illegible]
$10 Eagles	[illegible]	[illegible]
$5 Eagles	[illegible]	[illegible]

FOREIGN EXCHANGES

June 27 1975	Bank Rate %	Market Rates Day's Spread	Market Rates Close
New York	6	2.2225-2.2580	2.2245-2.2255
Montreal	8¼	2.2865-2.3020	2.2915-2.2925
Amsterdam	6	5.40-5.44	5.41¾-5.42¾
†Brussels	6½	78.00-78.50	78.25-78.45
Copenh'gen	8	12.15-12.25	12.15-12.16
Frankfurt	4½	5.22-5.28	5.22¾-5.25¾
Lisbon	6½	54.10-54.60	54.15-54.555
Madrid	7	124.10-125.10	124.55-124.5
Milan	7	1,397-1,406	1,399-1,401
Oslo	5½	10.85-11.01	10.94¾-10.95¾
Paris	9½	8.94-8.97	8.95¾-8.96¾
Stockholm	7	8.72-8.79	8.73-8.74
Tokyo	8	655-665	658¾-660¾
Vienna	6	55.75-	56.80-57.00
Zurich	4½	5.55-5.68	5.65¾-5.66¾

† Basic discount. ‡ Rates given are for convertible francs: closing financial franc

OTHER MARKETS

			Notes Rates
Argentina	67.75-67.95	Argentina	140-170
Australia	1.6845-1.6905	Austria	39¾-39¾
Brazil	17.68-18.00	Belgium	80¼-82¼
Finland	7.75¼-7.76¼	Brazil	20-23
Greece	66.701-68.556	Canada	2.30-2.35
Hongkong	11.01-11.06	Denmark	12.20-50
Iran	145.5-148.5	France	8.85-9.05
Kuwait	0.640-0.650	Germany	5.15-5.55
Luxemb'g.	78.25-78.45	Greece	66-69
Malaysia	5.1035-5.1250	Italy	1380-1450
N. Zealand	1.5977-1.7137	Japan	660-690
Saudi Arab.	7.75-7.90	Neth'l'ds	5.35-5.50
Singapore	5.1255-5.1430	Norway	10.85-11.10
S. Africa	1.5065-1.6040	Portugal	55¼-58¼
U.S.—		Spain	122-125
Canada		Sw'tz'land	5.45-5.65
C$1=		U.S.	2.22¼-.24¼
U.S. cents	97.05-97.08	Yugosl'ia	36-38

‡ Based on rates quoted by specialist dealers. Other rates may be quoted elsewhere. ◆ Rate given is the commercial rate: financial rate 68.71-69.91.

FORWARD RATES

	One Month	Three months
New York	0.65-0.55 c.pm	2.20-2.10 c.pm
Montreal	0.58-0.48 c.pm	1.90-1.80 c.pm
Amst'dam	3¼-2¼ c.pm	9-8 c.pm
Brussels	30-10 c.pm	75-55 c.pm
Cop'n'hgn	6½-3½ ore pm	14¾-11¾ ore pm
Frankfurt	2¼-1¼ pf. pm	7¼-6¼ pf pm
Lisbon	50-250 c. dis	60-525 c. dis
Milan	1-4 lire dis	4-7 lire dis
Oslo	1ore pm-1ore dis	4¼-2¼ ore pm
Paris	par-2 c. dis	1 c.pm-1c. dis
Stockholm	1ore pm-1ore dis	3¼-1¼ ore pm
Vienna	30 gro pm-par	80-20 gro pm
Zurich	3¼-2¼ c. pm	9¼-8¼ c. pm

Six-month forward U.S. dollar 4.55-4.45c pm, and 12-month 9.30-9.20 c pm.

MINING NOTEBOOK

Why there could be a metals famine

BY LODESTAR

MINING LEADERS around the world are continuing the persistent warnings given here about the future of the mineral producing industries and thus of the vital production of the metals without which civilisation would literally collapse.

The latest shot has been fired in Ireland by Anglo American Corporation consulting engineer Mr. K. C. G. Heath who at a natural resources symposium *there pointed out, with a wealth* of undisputed evidence behind him, that the future supply of minerals is being whittled away by governments which make arbitrary changes in mining legislation that drain off the reward to the pioneers who invest all the high-risk capital.

It has, he said, become almost the custom for the state to change the rules as it sees fit. The trend is such that no new mines will be started and "in about five years' time the world will find that the price of metals will rise to astronomical levels." Only South Africa, he added, seemed to have evolved a code of practice which *satisfied not only the finder and* developer of new deposits but also the understandable demands of the tax-payers as represented by their elected government.

Ore into waste

It was left to the well-known international geological consultant Dr. Duncan Derry to make another major point which desk-bound bureaucracy inevitably overlooks, namely that costs—and this must necessarily include government imposed royalties and tax—must be kept relative to metal prices otherwise "we will turn ore into waste."

For the sake of the uninitiated, and this includes more than one of the world's mining and energy ministers that I could name, ore is rock from which minerals can be extracted at a profit either by government or by the mining companies themselves. In British Columbia Mines Minister Leo Nimsick turned ore into waste at a stroke of the pen. His view was that it could be left in the ground for future generations. But he ignored the fact that there could well be a vital time lag when the present generation becomes metal starved. Mines cannot be brought to production *over night.*

The abandonment until some future date of the big Agnew nickel deposit in Western Australia through a combination of inflationary factors and short-sighted Federal Government policies is a prime example of this trend. Dr. Derry points out that in Ireland itself the so-called and government beleaguered "bonanza" find by Tara at Navan is of a relatively modest ore *grade by overall standards.*

He makes the very valid point that its 12.7 per cent. combined lead-zinc ore would not be viable as a separate deposit at one of the world's greatest fields of this *kind, that at what used to be* called the "fabulous hill," namely Australia's Broken Hill. There the present operators the Rio Tinto-Zinc group's Australian Smelting and Refining need an ore grade of around 20 per cent. combined lead and zinc to "withstand the heavy weight of taxation."

Tynagh now

Dr. Derry emphasised that Northgate Exploration's Tynagh operation, which sparked off the great Irish mining revival way back in the sixties, would be barely viable to-day if all the surface installa*tions and pre-production* underground development had not been paid for by the richer and easier to get at open-cut operation. In other words, it would have joined Agnew in being left in the ground to swell the time-gap element *in the world's supply of minerals.*

For coal buffs there was a slightly surprising expression of opinion at the Irish symposium. This came from an oil industry spokesman. He reckoned that oil *would remain the major source of* energy for at least another 20 years. But from 1985 onwards coal would re-assert itself as a number one energy source. There is one conclusion to be drawn from this. Investors' enthusiasm for coal shares both Australian and South African is no doubt justified. But the question is also posed as to whether this means that their bullishness for uranium shares should be diminished. In my view the answer is no.

Panama's copper

In the meantime, just to show that not all the great newly discovered mining deposits of the world are to be left mouldering in the ground, news comes from our Montreal correspondent that the Panamanian Government is reckoned to be ready to make a *decision next month about an* agreement with an international mining group to bring to production the huge Cerro Colorado copper orebody in the country discovered by Canada's Canadian Javelin company, now expelled from the project.

The contenders have to face an operation that could cost over $500m. (£225m.) if a proposed smelter is erected. They are nevertheless believed to include *Canada's* Noranda group, America's Texasgulf now effectively controlled by the Canadian Government, London's Selection Trust and Belgium's Union Miniere. It is still reckoned that Britain and Japan will provide the vital metal purchasing contracts.

A point of contention is the eventual split-up of the equity in the operating company with the Panama Government believed to be *going for* as much as 85 per cent. There is "no way we would agree to this" a Canadian Javelin spokesman once said to me. It will be interesting to see whether the new contenders for the Panamanian copper hand will have a similar view.

Even if all goes well, development of Cerro Colorado is not likely to start before late next year or early-1977. Target daily milling rate is 80,000 tons from an *orebody which has been variously* estimated as containing up to 1bn. tons averaging 0.61 per cent. copper.

Minorco

A New York movement on Friday of interest to shareholders in Minerals and Resources Corporation (Minorco) was the rise of $1¾ to $22¾ in Engelhard Minerals on the news that a national campaign had started to promote the greater use of platinum in jewellery. Minorco has a 30 per cent. stake in Engelhard and Charter Consolidated holds 20 per cent. of Minorco the shares of which stand at 300p, their best to date this year.

Also of interest to Minorco holders is that the proposed deal with America's Inspiration Consolidated Copper has now gone through. *It involves the issue of* 0.85m. Inspiration shares for $31.45m. (£14.1m) and gives Minorco a 12 per cent. stake in Inspiration and another member of the Anglo-American Corpora*tion group*, Canada's Hudson Bay Mining, an 18 per cent. holding.

Inspiration is on the diversification trail. One project is the Ferron Canyon coal mine in Utah which is to be brought into pro*duction during the next two years.* Another is a new plant at Inspiration in Arizona to cast anodes for electrolytic refining. The Anaconda company owns 20 per cent. of Inspiration.

INSURANCE

Bad results for 1974

BY OUR INSURANCE CORRESPONDENT

THAT 1974 has been a bad underwriting year for the British insurance companies was clear from the annual reports that had been *issued earlier this year.* But none of us I think had realised quite how bad until last week, when at its annual Press conference which follows its AGM, the British Insurance Association announced a *world-wide* underwriting loss on non-life business of £115m., being 3.4 per cent. of £3,359m.—a record loss which it must be hoped will not be matched when this year has run its course.

On premium income of £1,296m. in the U.K. a 1.8 per cent. profit of £23.2m. was achieved and this despite the *£36m. allocated for the Flix*borough disaster last summer. But the major proportion of the British companies' business is written abroad and it is abroad that the losses were sustained—*a £44.3m. loss in the U.S. on* income of £748m. and a £93.9m. loss in the rest of the world on premium income of £1,362m.

Lloyd's loss

Since last Tuesday, the Chairman of Lloyd's has said that even at this stage of the three-year accounting period for 1974, that that year shows all the signs of producing a loss: so it is not just the companies that suffered last year.

Both in the *U.S.* and elsewhere abroad, natural disasters —wind, storm and floods—have contributed to the deficit, and it is at least arguable that the precise scale of such acts of God cannot be readily gauged beforehand so that adequate premiums are collected: in theory at least, more readily assessable should be the cost of liability and motor claims, but particularly in the United States and in Australia liability business has produced significant losses, while the total overseas loss on motor business amounted *to £53m. on an income of* £745m.

Having regard to the scale of operations overseas of British insurers, both companies and Lloyd's underwriters, it must be *that overseas insurers have* suffered to a similar extent in the territories where they operate. This being so, the logical assumption should be that all insurers would raise premiums sufficiently and as rapidly as possible to restore profitability.

But in most world markets there are always a few who will write for volume of income without regard to underwriting profit and whose activities will help to keep rates too low. Because most general insurance is sold for 12 month periods, the effect of raising rates is often not felt during the first year after any rating change but only subsequently, when premium can be counted as earned as contrasted with written.

Inflation

There is the problem of estimating the future effect of inflation in fixing forward premium levels, whatever the period of their application. And then there is Government control, which may deliberately prevent insurers from achieving even a break-even position: particularly is this true of motor insurance which is politically the most price sensitive of insurance services almost everywhere in the world.

Not all of these factors have to be considered in each territory, though in some places all can operate to insurers' detriment. Nevertheless, the scale of loss sustained outside of the United Kingdom in 1974 means that we shall be well into 1976 before insurers can have any prospect of seeing positive results stemming from the remedial action which the departing BIA chairman has declared to be already in hand.

Here at home the fact that only a marginal profit was recorded on motor business, £1.8m. on income of £507m., after the previous year's profit of £12.4m., suggests that 1975's motor underwriting will show a loss, despite the premium increases of the last few months.

Here insurers must have a real concern lest as any part of any anti-inflation package agreed or imposed before the end of July premium rates are frozen for six months or more as they were by Phase 1 of the Conservatives' counter-inflation programme—a thoroughly daunting prospect with repair costs inflating at 30 per cent. per year and injury awards at almost the same percentage.

Liability business is, of course, subject to similar inflationary pressures on the injury side but has not so far been subject to Governmental price restraint.

Fire premiums

On the home fire front insurers perhaps have the consolation that premium levels are probably adequate enough to keep ahead of the present scale of fire wastage and return insurers a profit in 1975, though not on the *scale of that enjoyed in 1972* and 1973, provided sums insured are revised to keep up with inflation: the imponderables are that adequate revisions may not be made and that in real terms *fire wastage may rise still* further.

So currently it is clear that British companies cannot hope to augment their funds whereby to produce the investment income which, on paper at least, more than eliminates the underwriting deficit in their accounts. But those funds—general business funds, stockholders funds and free reserves — totalled £5,272m. at book values at the end of last year and provide the means to weather the storm and to continue to contribute the companies' share of the "invisible" earnings obtained by the whole of the insurance industry—£372m. in 1974.

BROOMFIELD ENGRG CLOSES

Brooke Tool Engineering (Holdings) announces that a small sub*contract engineering subsidiary,* Broomfield Engineering Company, is closing down forthwith due to the poor trading outlook.

Broomfield had a turnover of about £250,000 per annum.

Redundancy Notices have been issued to all 55 employees.

WEEKLY AVERAGES OF U.K. INDICES

Week to—	June 27	June 20	June 13	June 6
Financial Times				
Govt. Secs.	58.56	58.12	58.01	58.34
Fixed Interest	57.95	57.64	57.74	58.23
Industr'l Ord.	308.5	330.8	340.5	359.0
Gold Mines	396.0	376.7	378.3	405.9
Dealings mkd.	6,209	5,327	7,046	7,565
F.T. Actuaries				
Ind. Group	125.64	132.85	134.88	141.23
500-Share	138.44	145.81	147.50	164.04
All-Share	136.21	144.20	145.72	152.04
20-year Govt.	47.65	47.22	47.12	47.54
Red. Debs.	46.26	45.73	46.05	46.16

INSURANCE BASE RATES

† Atlantic Assurance	11¼%
Cannon Assurance	8½%

† Address shown under Insurance and Property Bond table.

Base lending rates Page 31

INTERNATIONAL COMPANY NEWS + EURO MARKETS

EUROMARKETS

Middle East market lively

BY PAULINE CLARKE

THE PRIMARY market for bonds continued its well-deserved nap almost undisturbed while the secondary market ticked-over. But as Europe slept, the Middle East markets were wide awake. And with three new dollar and three new Arab currency bonds now on their lists, this new arm of the international capital market appears a force to be reckoned with.

The dollar issues destined chiefly for the Middle East comprised $20m. for Mitsui Shipbuilding and Engineering, $30m. as a convertible issue for Tokyo Shibaura Electric Company and $50m. for Nippon Steel. There were also two Kuwaiti Dinar issues—for Banque Nationale d'Algerie and Autopistas del Atlantico—and a Saudi Ryal loan for Australian National Hotels.

New issues glut

There is no immediate threat to the traditional Euromarket since there is little or no mechanism for secondary trading in the Middle East. But such activity can only point to the embryonic development of a market with a considerable potential for growth.

In Europe, the lull in activity is admittedly only the result of a glut of new issues lately. But there has been a temperamental edge as well to recent performance illustrated by a sudden disenchantment with SDR issues whose prices have lost ground.

This probably relates more to the slump in demand for all bonds rather than the doubts recently cast on the divinity of the SDR by the Shah of Iran. Nevertheless it produces an inhospitable atmosphere for the introduction of a third SDR issue for SDR 50m. for Electricite de France which is for eight years and carries a coupon of only 8¾ per cent.

Procter and Gamble option on Mitsuwa

By Peter Duminy

TOKYO, June 29.

PROCTER AND GAMBLE'S Japanese subsidiary, Procter and Gamble Sunhome, has taken a 90-day option on the principal toilet soap assets of Mitsuwa, the financially stricken soap manufacturer which has been protected against creditors' claims by a court injunction since March.

The option gives Sunhome the right to buy the Fuji toilet soap factory and Mitsuwa's brands for a total of about $8.5m. the acquisition would broaden the base of Sunhome's manufacturing operations, now almost exclusively in detergents. Procter and Gamble's toilet soaps are at present imported from Europe, and thought by competitors to have less than 2 per cent. of the Japanese market.

Mitsuwa's market share is believed to be about 10 per cent., not counting toilet soap manufactured for Honen-Lever, Unilever's Japanese subsidiary. Honen-Lever will make other arrangements (unspecified) if Sunhome exercises its option.

Sunhome's chief executive, Mr. J. W. Nedell, said in Osaka that his company had not been in touch with Honen-Lever. It believed there had been financial discussions between Mitsuwa and the Unilever GSUP which had come to nothing, following which Mitsuwa had given the assurance that it was free to negotiate disposal of its assets.

That was effectively Procter and Gamble's debut in the Japanese market. Since then, according to industry sources, Sunhome has grown to be Japan's third largest detergent maker.

Mitsubishi French stake

PARIS, June 29.

MITSUBISHI FRANCE is taking a 50 per cent. stake in a French office machine sales company in order to expand marketing of its photocopying machines in France, chairman of the Mitsubishi unit, Hiroshi Kohiyama, said.

The company, L'organisation, la Technique, la Methode au Bureau (OTMB), is capitalised at Frs.960,000 and turnover is expected to rise to around Frs.100m. by end 1976 from 1974's Frs.52m., he added.

Reuter

BUEHRLE SEES 30% SALES RISE

By John Wicks

ZURICH, June 29.

THE SWISS industrial and services group Buehrle expects a further 30 per cent. rise in turnover in 1975, following a rise of 27.8 per cent. last year to a level of Sw.Fr.1.61bn. (1.26bn.). Speaking at the annual general meeting of the parent company Oerlikon-Buehrle Holding in Zurich, Dr. Dietrich Buehrle stated that sales in the various subsidiaries had generally developed according to expectations this year so far.

Generally speaking, Dr. Buehrle indicated that turnover growth would in 1975 be at a higher rate for armaments than for non-military products, the latter being more responsive to market forces.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus	Util.	Trading volume 000's
June 27	[illegible]	171.34	873.12	86.02	18,320
26	69.51	169.90	872.14	86.34	24,540
25	69.67	168.59	872.73	86.69	21,610
24	69.62	168.10	869.06	87.07	26,620
23	69.35	167.81	864.55	86.50	20,720
20	69.26	166.75	855.44	86.24	26,260
19	69.06	166.58	845.35	86.37	21,450
18	68.72	164.66	827.83	83.40	15,590
17	68.95	165.19	828.61	82.82	19,440
16	68.96	167.16	834.5	82.60	16,660
13	68.76	167.53	824.47	81.90	16,300
12	68.56	167.69	819.31	81.61	15,970
11	—	169.21	824.55	81.81	18,230
10	68.27	168.88	822.12	81.80	21,150
9	68.04	170.07	830.10	82.21	20,670
6	67.91	170.62	839.64	82.82	22,330
5	67.78	168.72	842.15	82.02	21,610
1975 High	69.62 (4/4)	174.12 (8/5)	874.14 (26/6)	87.07 (24/6)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.50 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

June 13	June 6	June 14, 1974
4.69	4.59	4.50

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	June 27	June 26	June 25	June 24	June 23
50.62 (26/6)	37.06 (2/1)	50.62	50.62	50.51	50.28	49.94

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,821	760	624	437

	June 27	June 26	June 25	June 24	June 23
New Highs	145	207	203	285	179
.. Lows	nil	1	1	1	1

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	June 27	June 26	June 25	June 24	June 23
83.00 (27/6)	62.20 (2/1)	83.00	82.78	82.28	81.48	81.44
Volume (000's)		3,170	3,360	3,540	3,080	2,440

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
June 27	106.39	94.51
.. 26	106.36	94.51
.. 25	106.09	94.62
.. 24	105.54	94.19
.. 23	104.98	93.62
.. 20	103.70	92.61
1975 High	106.39 (27/6)	94.51 (26/6)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials, Utilities, 25 Rails. † 425 Industrials, [illegible]

STOCK AND BOND YIELDS

	Jn. 26 1975	Jn. 19 1975	Jn. 26 1974
Ind. Ord. yield pc	3.60	3.74	3.80
Ind. Ord. p/e ratio	11.50	10.98	10.73
Long-term Govt. Bds. per cent.	8.74	8.75	8.60

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Texaco	491,300	26⅞	+⅛
Atlas Corp.	336,600	4⅞	—
Varian Assocs.	289,200	13⅜	−⅛
Fed. Nat. Mort.	229,900	16⅞	+⅛
Amer. Airlines	192,500	8⅞	+⅛
Okla G.E.	157,800	24⅛	—
Chrysler	137,200	11⅞	+⅛
Telex	122,300	2⅞	+⅛
Kaufman & Broad	121,500	6⅛	+⅛
General Electric	118,000	[illegible]	+⅛

TORONTO

INDUSTRIAL INDEX

June 27	June 26	1975 High	1975 Low
199.43	199.19	199.43 (27/6)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

June 27	June 26	1975 High	1975 Low
201.06	200.52	201.06 (27/6)	159.85 (2/1)

COMBINED INDEX

June 27	June 26	1975 High	1975 Low
193.76	193.01	193.76 (27/6)	155.02 (2/1)

JOHANNESBURG

	June 27	June 26	1974-75 High	1974-75 Low
Industrials	231.3	229.7	231.3 (27/6)	183.2 (23/1)
Golds	336.3	334.0	379.1 (2/1)	283.2 (15/4)

1958=100; Source: Rand Daily Mail. *1974.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	June 26	June 19	June 12
On Dividends	7.36	7.35	7.11
On Earnings	14.12	14.15	13.67

SYDNEY ALL ORD. INDEX

June 27	June 26	High 1975	Low 1975
366.66	366.01	388.56 (4/6)	288.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

June 28	June 27	High 1975	Low 1975
329.92	328.72	332.96 (22/5)	268.24 (10/1)

HONG KONG INDEX ●

June 27	June 26	High 1975	Low 1975
325.09	326.72	341.57 (9/6)	160.48 (9/1)

SINGAPORE INDEX §

June 27	June 26	High 1975	Low 1975
224.86	226.05	268.69 (11/3)	155.26 (8/1)

EUROPE

	June 27	Previous	1975 High	1975 Low
Belg'm (a)	107.02	107.41	111.81 (15/5)	89.07 (2/1)
Denm'k (b)	88.65	88.74	92.80 (13/6)	73.06 (13/1)
France (d)	63.4	63.2	72.6 (23/4)	61.70 (2/1)
Germ'y (e)	657.1	658.1	736.1 (16/4)	673.5 (3/1)
Holland (f)	100.0	100.3	107.6 (6/5)	83.8 (2/1)
Italy (g)	86.94	86.99	106.26 (21/2)	85.99 (8/1)
Spain (h)	97.86	98.16	110.36 (22/4)	96.54 (19.6)
Sweden (k)	380.13	380.66	380.13 (27.6)	310.56 (9.1)
Switz'rl'd (m)	252.6	251.6	280.1 (6/5)	225.5 (2/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December, 1953. (f) Amsterdam Industrial 1970. (g) Milan 1972. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ● Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

AUSTRALIAN WEEKLY LIST

[illegible]

TEL AVIV STOCK EXCHANGE

[illegible]

Source: Bank Leumi Le Israel, Tel Aviv.

HONG KONG

[illegible]

SINGAPORE STOCKS

[illegible]

JOHANNESBURG

[illegible]

CANADIAN WEEKLY LIST

[illegible]

AUSTRALIA

[illegible]

Oakbridge	†0.65	+0.02
Oil Search	†0.31	+0.01
Pioneer Concrete	†0.81	−0.01
Reckitt & Colman	†2.45	—
H.C. Sleigh	†0.41	−0.01
Southland Mining	†0.13	+0.01
Stocks & Holdings	†2.30	—
Tooth (S1)	†1.78	−0.02
Waltons	†0.75	+0.01
Western Mining (50 cents)	†1.60	−0.02
Woolworth	†0.97	—

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—101% (97%).

NEW YORK

[illegible]

CANADA

[illegible]

GERMANY

[illegible]

AMSTERDAM

[illegible]

MILAN

June 27	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	1,150	+50	—	—
ANIC	811	+2	60	7.4
Ausonia Ass.	4,200		150	[illegible]
Bastogi	1,340	[illegible]	70	5.2
Breda	2,210	−10	150	6.8
Burgo	12,990	+120	350	—
Cantoni	[illegible]	+250	200	2.4

[illegible]

PARIS

[illegible]

BRUSSELS

[illegible]

TOKYO

[illegible]

Source Nikko Securities Tokyo

SWITZERLAND

[illegible]

VIENNA

[illegible]

COPENHAGEN

[illegible]

SPAIN

[illegible]

STOCKHOLM

[illegible]

OSLO

[illegible]

NOTES: Overseas prices exclude $ premium. Belgian dividends are shown after withholding tax. [illegible]

AUTHORISED UNIT TRUSTS

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations in London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

...any Inv. 20p	14	......	Gardner (L.)	64	......	Shiloh Spinn.	23	......
...Spinning	34	......	Graig Ship. £1	415	......	Sindall (Wm.)	43	......
...um	17	......	Hallam Sleigh 10p	9	......	Vincent (H.)	80	......
...dy (G.) 'A'	48	......	Higsons Brew.	83	−5			
...Wtr. Est. 50p	£120	......	I.O.M. Stm. £1	118	......	**IRISH**		
...ver Croft	35	......	Hull (Jos.) 25p	180	−5	Alliance Gas (£1)	47½	......
...ng & Rose £1	312	......	Kleen-e-Ze	28	......	Carroll (P. J.)	109	+1
...ndee Ice £1	290	......	Lovell's Ship £1	125	......	Clondalkin	48	......
...on (G.A.)	30	......	N'thn. Goldsmith	77	−1	Concrete Prods.	72	......
...s & McHdy.	57	......	P.M.A.	34	......	Goodbody (£1)	38	......
...ns Fr'k. 10p	30	......	Pearce (C. H.)	60	......	Holton (Bldgs.)	30	......
...ed	12	......	Peel Mills	17	......	Irish Distillers	55	−1
...Forge	48	......	Richards 10p	8	......	Irish Wire	40	......
...lay Pkg. 5p	16	......	Robb Caledon 5p	35	......	Jacob	45	......
...e & Roofing	90	......	Sayers 12½p	9	......	Sunbeam	11	......
...dner & Sons	11½	......	Shell Refrshm.	145	......	Unidare	64	......

FINANCIAL TIMES STOCK INDICES

—	June 27	June 26	June 25	June 24	June 23	June 20	A year ago
Government Secs.	58.33	58.67	58.94	58.55	58.32	58.16	54.69
Fixed Interest	57.92	58.05	58.06	57.89	57.81	57.79	54.15
Industrial Ordinary	295.6	305.8	313.7	310.5	318.8	335.8	255.1
Gold Mines	409.7	407.2	400.9	386.2	386.1	381.9	297.3
Ord. Div. Yld. %	6.85	6.67	6.46	6.51	6.36	6.08	7.85
Earnings Yld. % (full)	20.23	19.71	19.09	19.26	18.76	17.89	20.79
P/E Ratio (net) (b)	7.06	7.25	7.49	7.42	7.62	8.00	6.74
Dealings marked	6,762	6,104	8,027	6,109	4,846	4,748	†5,043
Equity turnover £m.	—	59.16	51.04	61.65	52.80	48.90	59.57
Equity bargains total	—	14,371	14,286	16,999	13,561	12,360	11,684

10 a.m. 299.1. 11 a.m. 296.3. Noon 297.5. 1 p.m. 295.8. 2 p.m. 296.3. 3 p.m. 296.0.

Latest Index 01-246 8026. † Excluding regional exchanges.

(a) Based on 52 per cent. corporation tax. (b) Nil=7.02.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.54 (20/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.61 (21/5)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	366.5 (6/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.5 (22/5)	280.2 (10/1)	442.4 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	June 27	June 26
Daily —		
Gilt-Edged	152.4	166.4
Industrials	199.1	208.2
Speculative	63.3	69.5
Totals	131.1	139.9
5-day Av'ge		
Gilt-Edged	156.9	152.6
Industrials	218.8	212.6
Speculative	61.6	59.5
Totals	141.3	136.7

FT—ACTUARIES INDICES

—	June 27	June 26	June 25	June 24	June 23	June 20	A year ago
Industrial Group	121.43	125.49	126.86	126.24	129.65	133.43	99.90
500 Shares	154.38	136.36	139.78	139.19	142.47	146.62	107.79
Div. Yield pc	6.59	6.49	6.33	6.35	6.20	6.03	7.56
P/E Ratio (net)	6.65	6.75	6.91	6.89	7.05	7.25	6.49
All Share	131.79	135.62	137.55	137.32	140.53	144.78	105.33
Stocks yield pc	14.66	14.55	14.44	14.64	14.74	14.73	15.68

BASE LENDING RATES

AFI International	9½%	Jacobs. Kroll	11½%
Allied Irish Banks Ltd.	9½%	Keyser Ullmann	10½%
Anglo-Portuguese Bank	10 %	Kinghurst Securities	12 %
Henry Ansbacher	10½%	Knowsley & Co. Ltd.	11½%
Banco de Bilbao	9½%	Lloyds Bank	9½%
Banco de Jerez	10½%	London & European	11½%
Bank of Cyprus	‡10 %	London Mercantile	11½%
Banque du Rhone S.A.	10 %	Midland Bank	9½%
Barclays Bank	9½%	■ Samuel Montagu	9½%
Barnett, Christie Ltd.	11 %	■ Morgan Grenfell	9½%
Bremar Holdings Ltd.	10½%	*Morris Wigram Ltd.*	10½%
Brit. Bank of Mid. East	9½%	National Westminster	9½%
Brown Shipley	10½%	Northern Comm. Trust	10½%
Cayzer, Bowater Co. Ltd.	10½%	*Norwich General Trust*	10 %
Cedar Holdings	10 %	Portman Guaranty	11 %
Charterhouse Japhet	10½%	P. S. Refson & Co.	9½%
C. E. Coates	10½%	Rossminster Accept'cs.	9½%
Consolidated Credits	12 %	Royal Trust of Canada	10½%
Continental Trade Bk.	9½%	E. S. Schwab	11½%
Co-operative Bank	* 9½%	Security Trust Co. Ltd.	11 %
Copleys Bank	11½%	Shenley Trust	11½%
Corinthian Securities	9½%	Standard & Chartered	9½%
Credit Lyonnais	9½%	Sterling Credit	12 %
G. R. Dawes	10½%	Stewart Salmon & Co.	9½%
Duboff Brothers	11½%	Thames Guaranty	11 %
Duncan Lawrie	10½%	Trade Development Bk.	9½%
English Transcont.	11½%	*Twentieth Century Bk.*	11½%
First London Secs.	9½%	United Bank of Kuwait	9½%
Antony Gibbs	10 %	Wallace Brothers Bank	10½%
Goode Durrant Trust	10 %	Whiteaway Laidlaw	10 %
Greyhound Guaranty	9½%	Williams and Glyn's	9½%
Grindlays Bank	10 %	Yorkshire Bank	9½%
Guinness Mahon	10½%		
Hambros Bank	9½%		
Hawtin & Partners	13 %		
Hill Samuel	§10 %		
C. Hoare & Co.	† 9½%		
Julian S. Hodge	10½%		
Industrial Bank of Scot.	9½%		

■ Members of the Accepting Houses Committee.

* 7-day deposits 6½%, 1-month deposit 6½%.

† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6½%, and over £25,000 7½%.

‡ Deposit Base Rate 9½%.

§ Demand deposit 7½%.

CORAL INDEX Close 291-296

I.G. INDEX GOLD 163-166

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

Wm. Press confident of progress

THE ORDER book of The William Press Group of Companies is at a record level and the chairman, Mr. W. A. Hawken, says he "shall be disappointed if we are unable to maintain a progressive trend."

He stresses, however, that the ever present lack of stability in policy by Government makes forward planning of company affairs doubly difficult and the attention of senior management is still too much deflected by new and changing legislation across a wide front.

Increased costs both direct and indirect associated with unprecedented inflation also demand sustained vigilance.

But, over the past two years the company has and will in future continue to pursue a policy to review every activity undertaken.

Factors within the directors' control which could adversely affect results are largely being eliminated and "we move forward better able to face up to the demands imposed upon us," he declares.

As reported on May 30, group pre-tax profit expanded from £1.26m. to £3.15m. in 1974 and the dividend is 1.1p (1.01p) net per share.

Meeting, Inn on the Park, W., July 31, at 11.30 a.m.

W. & C. French looks for overseas work

Mr. J. C. S. Mott, chairman of French Kier Holdings, the holding company of W. and C. French (Construction) which last month was promised Government assistance to complete its motorway programme and prevent technical insolvency, told the annual meeting that existing contracts were being completed in the most economical manner possible.

The group was looking for overseas work in a wide variety of areas and tenders would soon be submitted for work in The Gulf, the Indian Ocean, the Far East, Africa and Europe. It was intended that the separate identities of the various companies would be retained while realignments would take place to "bring international, national and regional activities into separate companies."

Negotiations were still under *way about selected disposals of* land from the company's land bank to reduce borrowings which had fallen by £1.4m. between December 31 and May 31.

W. and C. French was not at present seeking new motorway business as it had enough work for the time being and at the moment the Department of the Environment would not invite the company to tender. But the company had "no reason to believe" that it would not be included on DoE tender lists at a later stage.

N. Brown Investments outlook

DEVELOPMENT OF the export business of N. Brown Investments and the costs being incurred on that front will have some effect on the current year's profit, says the chairman, Mr. D. Alliance. But the greatest impact will come from national economic, rather than from internal, influences, he adds.

Mr. Alliance makes it clear that it is just not possible to assess the effect of those influences on the current year's results, though he hopes they will "not be such as to mean a fall in profits."

He points out that the mail order catalogues have to be printed some months ahead of distribution and that great problems in the pricing of goods are created by inflation.

At least one third of the more "regular" lines in the Autumn-Winter catalogue will be at the same or, in some cases, lower prices than they were in the last Autumn catalogue.

"Although one cannot be sure that we will never have to increase a catalogue price once quoted and printed, we are determined to give our customers the best possible value for money," he declares.

As reported on June 20 group pre-tax profit for the year to March 1, 1975, was £1.3m. (£1.24m.) and the dividend is 2.508p (2.095p) net.

There was a decrease in borrowing of £0.93m. (increase £3.75m.).

Meeting Manchester, July 22 at 12.30 p.m.

Union Discount

Union Discount Company of London is opening a Representative Office in Edinburgh, on August 5.

The company's representative, will be Mr. Michael Healy and the managing director responsible for this office will be Mr. Graeme Gilchrist. The company has for some time been developing its business in Scotland and feels that it could be further advanced by having a representative there.

For a number of years, Edinburgh has seen a growth of financial institutions and the Scottish economy is poised for expansion. The discount market is not as yet represented in this expansion and the company betish economy is poised for expansion. The discount market is paper market and that, in collaboration with the banks, there will be a growing demand for short term finance such as is provided by discount houses.

Union's subsidiary, Udisco Brokers, will also be involved in this venture at a later date.

Transparent Paper's strong position

Transparent Paper, which makes and converts transparent cellulose and plastic film, is strongly placed to take advantage of any improvement in the economic climate, according to Mr. J. F. E. Smith, chairman, in his annual statement.

The prosperity of the company depends, to a large extent, on containing manufacturing costs; exports are on a rising trend and will be further increased during the current year, he adds.

The swift change to a buyers' market in the last quarter of 1974-75 with manufacturing cost still increasing, is likely to continue for some time, he adds.

The re-equipment and modernisation programme is reflected in the capital expenditure of £1.48m. during the year. Outstanding commitments for 1975-76 are shown at £0.81m.

The modernisation of the converting division is largely complete and the plant is now fully equipped for the converting of a wide range of extensible films in addition to transparent cellulose, plastic and other synthetic films.

In the film manufacturing division a new casting machine and a new coating tower will come on stream during the year.

As known, pre-tax profit increased from £1.01m. to £1.2m. for the year to March 29, 1975. Dividends are up from 3.3875p to 3.693p net.

Ferguson Ind. looks to long-term

WHILE REMAINING optimistic about the future of Ferguson Industrial Holdings the chairman, Mr. D. Vernon, sees little prospect, in the short term, of "any real improvement in profitability."

The current year has started with no great flourish and the first two months' sales are £3.11m.

The company is still heavily dependent upon the level of activity in the U.K. construction industry. Every effort is being made to lessen this dependence, not by parting with any builders' merchants or allied companies, but by bringing into the group other merchanting or manufacturing concerns that will enable the cash flow and profit to be kept on a steadier and upwards trend.

Mr. Vernon, therefore, expects considerable changes in the group during the next three years.

As reported on June 7 with details of the offer for Wright-Scriven (engineers and contractors' supplies group) group *pre-tax profit decreased* from £1.08m. to £0.8m. in the year to February 28, 1975, on sales up from £15.5m. to £16.15m. Mr. Vernon points out that the sales figure disguises a drop in volume of approximately 22 per cent. Adjusting for inflation the pre-tax profit would be £0.62m.

The company finished the year, having borrowed £0.4m. on a ten-year loan with only £48,645 overdraft. This means that the new year started with over £1m. unused bank facilities—a strong position to continue with the capital expenditure programme and merger and investment policy when suitable opportunities occur.

The chairman expects the debt ratio to rise to the target debt ratio of 50 per cent. In other words, total borrowing could be £2.25m. instead of the year end level of £1.05m.

Before allowing it to rise to that extent, the directors would have to be satisfied about future cash flow and ability to service such increased borrowing. They are satisfied in respect of the investment in Wright-Scriven.

They have decided to proceed with plans for new warehouses on Humberside and in Ireland, at a total cost of approximately £0.5m. Not less than £0.3m. is expected from the sale of two existing properties in Humberside and one in Nottingham. Building has already begun on the Humberside warehouse and the new Belfast warehouse is at the drawing board stage.

Meeting, Appleby Castle, July 25 at 11.30 a.m.

Grampian TV sales improving

SALES OF Grampian Television are now showing some buoyancy again, and "it is very much hoped that this trend will continue so that dividends can be restored in the current year," states chairman Mr. I. M. Tennant.

In keeping with the national trend in the television industry, group advertising revenue fell by 6 per cent. in the year ended February 28, 1975, while costs increased by 12½ per cent.

Cash flow has been reduced with a resultant fall in investment income of £24,000. This coupled with a drop in the company's share of TV Times profits of £16,000 gives a total decline in performance from television of £337,000, and leaving the group with a loss of £29,000. As reported May 31, there is no dividend (1.8736p net).

In the current year colour television coverage will be extended to the Hebrides and Western Highlands when the transmitter on Lewis comes into operation. This, says the chairman, will "present us with new challenges" for, apart from extending the area of news coverage, GTV intends to produce some programmes in the Gaelic language.

Meeting Aberdeen, July 17, at 12.15 p.m.

Chamberlin & Hill poised for growth

Trading prospects for grey iron founders, Chamberlin & Hill, are not very encouraging for the forthcoming months, says the chairman, Mr. T. Martin.

Despite a substantial reduction of orders on hand however, the directors are confident that a sensible programme for the further expansion of activities should continue, in readiness for the upturn in trade which must take place when business *confidence is restored.*

Regarding the acquisition of Conduit Fittings the directors are confident that in addition to providing a wider outlet for the foundries' products, it will make a significant contribution to profits in the years ahead.

As reported on May 21 group pre-tax profit increased from £234,652 to £463,332 in the year *to March 31, 1975,* and the dividend is 2.042 (1.875)p net.

Meeting Walsall July 25, noon.

A copy of this document, having attached thereto the documents specified below, has been delivered to the Registrar of Companies for registration.
This document contains particulars given in compliance with the regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to Walter Lawrence Limited ("the Company").
The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.
Application has been made to the Council of The Stock Exchange for the whole of the share capital of the Company issued and to be issued to be admitted to the Official List.

WALTER LAWRENCE LIMITED

Incorporated under the Companies Acts 1908 to 1917. Registered in England No. 153152.

PRESIDENT:
Mrs. RHODA EVELYN LAWRENCE,
Evelyns, Little Easton, Dunmow, Essex, CM6 2JR.

DIRECTORS:
BRIAN JUSTIN PRICHARD, LL.B., *Chairman*,
Little Hill, West Road, St. George's Hill, Weybridge, Surrey, KT13 0LZ.

JOHN ALBERT BRYAN REDGRAVE, J.P., *Group Managing Director and Deputy Chairman*, 103 The Ridgeway, Cuffley, Hertfordshire, EN6 4BG.

GEOFFREY BRAY, F.C.A., *Group Financial Director*,
Weavers, Debden, Saffron Walden, Essex, CB11 3LB.

FRANK WARNEFORD HAROLD, F.I.O.B.,
36 Russell Green Close, Purley, Surrey, CR2 2NR.

KENNETH FREDERICK WALL,
Kendon House, 36 Tuns Road, Necton, Swaffham, Norfolk, PE37 8HR.

SECRETARY AND REGISTERED OFFICE:
GEOFFREY BRAY, F.C.A.,
Lawrence House, Sun Street, Sawbridgeworth, Hertfordshire, CM21 9LX.

SHARE CAPITAL

Authorised		Issued and to be issued fully paid
£1,400,000	in 5,600,000 Ordinary shares of 25p each — — — —	£1,000,000

On 13th June, 1975 the Company and its subsidiaries ("the Group") had outstanding secured bank overdrafts of £306,674, a secured bank overdraft of Maltese pounds 88,031 (£104,924), a secured *term loan of £1,000,000, development loans secured against specific properties of £609,979*, unsecured loans totalling £28,000 and hire purchase commitments of £287,267. The Company has contingent liabilities totalling £920,011 in respect of performance bonds and guarantees relating to *building contracts of subsidiaries. Save as aforesaid and apart from inter-company indebtedness* neither the Company nor any of its subsidiaries has outstanding any borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than *normal trade bills) or acceptance credits, mortgages, charges, hire purchase commitments or*, except in the ordinary course of business and except for guarantees of bank indebtedness included above, any guarantees or other material contingent liabilities.

This document is issued in connection with a placing by

Sheppards and Chase

incorporating Rowe Swann and Roger Mortimer

OF 800,000 ORDINARY SHARES OF 25p EACH AT 55p PER SHARE

The Ordinary shares of the Company issued and to be issued rank *pari passu* in all respects including the right to receive all dividends hereafter declared.

BANKERS:
BARCLAYS BANK LIMITED, 54 Lombard Street, London, EC3P 3AH.

SOLICITORS TO THE COMPANY:
ROOKS & CO.,
9 New Square, Lincoln's Inn, London, WC2A 3QJ.

SOLICITORS TO THE PLACING:
LINKLATERS & PAINES,
Barrington House, 59/67 Gresham Street, London, EC2V 7JA.

AUDITORS AND REPORTING ACCOUNTANTS:
PEAT, MARWICK, MITCHELL & CO., *Chartered Accountants*,
11 Ironmonger Lane, London, EC2P 2AR.

BROKERS:
SHEPPARDS AND CHASE
incorporating Rowe Swann and Roger Mortimer,
Clements House, Gresham Street, London, EC2V 7AU and The Stock Exchange.

VALUERS:
WALKER SON & PACKMAN, *Chartered Surveyors*,
23 Lawrence Lane, London, EC2V 8DD.

REGISTRARS AND TRANSFER OFFICE:
BARCLAYS BANK (LONDON AND INTERNATIONAL) LIMITED,
Radbroke Hall, Knutsford, Cheshire, WA16 9EU.

PARTICULARS OF THE GROUP

HISTORY

The Company was incorporated in England on 15th February, 1919 under the name of Walter Lawrence & Son Limited to acquire the building and contracting business founded in 1871 by Walter Lawrence, a London master builder. The Company adopted its present name on 16th June, 1975.

Under the direction of Sir Walter Lawrence, the son of the founder, the business of the Company was expanded to include the construction of schools, hospitals, civic and other institutional buildings. The Company established a reputation for high quality building and in the inter war years was responsible for the construction of a number of large and prestigious buildings in London, including the Royal Masonic Peace Memorial in Great Queen Street, the headquarters of the Abbey National Building Society in Baker Street and the Royal London Mutual Building in Finsbury Square.

During the Second World War the Company's branch at Swaffham, Norfolk, established in 1938, built and maintained air-bases and military establishments and the joinery works, which had been established at Sawbridgeworth, Hertfordshire in 1907, *manufactured Bailey bridges and fusilages for Mosquito aircraft. Immediately following* the War the Company concentrated on housing for the public sector before reverting to its traditionally wider spread of activities in the construction field. Its contracts included the *rebuilding of the Inner Temple Dining Hall and Library and the construction of power* stations at Rye House and Tilbury and the Empress State Building at Earls Court.

In 1964 the Group structure was reorganised and the Company became a holding company. The main building and contracting operations and the joinery business were transferred to subsidiary companies, Walter Lawrence & Son Limited ("Lawrence") and Walter Lawrence Joinery Limited ("Joinery"). In 1965 the Company acquired 75 per cent. of the share capital of Frederick Coyle & Company Limited ("Coyle"), an old established building business whose headquarters are now at Weybridge, Surrey. In 1966 the branch at Swaffham was incorporated as a separate subsidiary under the name Walter Lawrence (East Anglia) Limited ("East Anglia").

In 1971 the Company formed the first of eight companies ("the Aztec Companies") with two property developers, *in some cases as subsidiaries and in others as associated companies ("the Associated Companies"). The Aztec Companies have carried out a* number of commercial and other property developments in the London area.

In 1972 Lawrence's contracting plant was used as the nucleus for establishing a plant hire business under the name Walaw Plant Hire Limited ("Walaw") with depots at Sawbridgeworth and later at Islington, and the light engineering business, which had formed part of Joinery, was established as a separate subsidiary under the name Walter Lawrence Engineering Limited ("Engineering"). At the end of that year the Group's head office and Lawrence moved from London to a new building erected by Lawrence on the *Company's own land at Sawbridgeworth. In 1973 Lawrence formed a City Building* Division at Islington to specialise in refurbishing commercial and residential property.

BUSINESS

The activities of the Group now cover building and contracting, the manufacture of joinery and timber products, engineering, plant hire and property investment and development. An analysis of the turnover and of the net rental income of the Group for each of the five years ended 30th June, 1974, the six months ended 31st December, 1974 and the Directors' estimate for the year ending 30th June, 1975 is shown below. Intergroup turnover is excluded, other than development and contracting work which is carried out on an arm's length basis and is included under Building and Contracting below.

	Year ended 30th June					Six months ended 31st December	Year ending 30th June
	1970 £000	1971 £000	1972 £000	1973 £000	1974 £000	1974 £000	1975 £000
Building and Contracting ..	6,317	7,482	8,739	11,262	16,267	8,406	17,800
Joinery and Timber Products ..	797	942	1,144	1,411	1,956	639	1,500
Engineering	216	201	205	157	295	244	500
Plant Hire	—	—	—	66	224	136	300
	7,330	8,625	10,088	12,896	18,742	9,425	20,100*
Net Rental Income	8	8	11	11	38	48	120*

*Directors' estimate.

Building and Contracting

Lawrence is the Group's largest operating company. Its activities include the construction of a wide range in type and value of high quality commercial, industrial and *civic buildings in the public and private sectors. Its contracts are obtained by competitive* tender and by negotiation and there are at present no major fixed price contracts. Approximately 75 per cent. by value of its present contracts are for clients and surveyors and *architects with whom it has previously worked. Over 60 per cent. of its current activity is* derived from contracts with a value in excess of £1m. Lawrence also carries out work for the Group companies, principally as the contractor responsible for the developments *undertaken by the Aztec Companies, although this work has never accounted for more* than 10 per cent. of Group building and contracting turnover in any year. During each of the three years ended 30th June, 1972 Lawrence's turnover accounted for approximately *half the building and contracting turnover of the Group. There has since been a considerable* expansion in activity and in the year ending 30th June, 1975 it will account for approximately 60 per cent. of the Directors' estimate of such turnover.

East Anglia undertakes construction contracts principally in the public sector which are generally of a more straightforward nature and on a smaller scale than those undertaken by Lawrence. In addition it undertakes term maintenance contracts for a number of *defence and other government establishments in East Anglia. These contracts, which are* normally for a period of two years, are obtained by competitive tender and East Anglia has almost thirty years' experience of this type of work. East Anglia also undertakes a substantial *number of housing projects for local authorities as well as a certain amount of residential* development on its own account. In the year ending 30th June, 1975 East Anglia will account for some 20 per cent. of the Directors' estimate of the Group's building and contracting turnover.

Coyle operates as a building and small works contractor in the public and private sectors. Some three years ago it began to undertake residential developments on its own account in Surrey, Middlesex and Hampshire and this activity now accounts for approximately 25 per cent. of its business.

None of the building and contracting subsidiaries holds a large land bank and their policy is to restrict the number of houses built in advance of sale. Details of the current residential developments and of the sites held for residential development in the future are set out in Parts D and E of the Valuers' Report below.

Joinery and Timber Products

In 1972, Joinery, which had previously specialised in high quality joinery work, began to manufacture doors on a flow line production basis and now produces a full range of standard doors as well as purpose made and firecheck doors. It also manufactures quality timber products for the consumer and DIY markets. Raw materials are currently being obtained from a number of sources, none of whom supplies more than 15 per cent. of requirements. *In the past Joinery supplied other Group companies, but this activity is now* less important and no customer, including the Group, currently accounts for more than 15 per cent. of Joinery's turnover.

Engineering

The business transferred to Engineering in 1972 was principally the design and development of *specialised light mechanical plant, machinery and small machine tools. In* that year Engineering embarked on the development and manufacture of container handling equipment but this venture resulted in losses and was sold in 1974. Engineering is now concentrating on its original business, its management structure has been improved and its operations are now profitable.

Plant Hire

Walaw specialises in hiring mechanical and non-mechanical builders' plant. Its main function is to provide a service to the Group with approximately two-thirds of its turnover being derived from this source, but hiring to outside customers is increasing.

Property Investment and Development

The Company's own property investments are situated in London in Sun Street, Finsbury Square and Dereham Place, Shoreditch. The Group's other property investments result from developments carried out by the Aztec Companies. Full details of these investment properties are set out in Parts B and C of the Valuers' Report below. The Sun Street property, formerly the Group's head office, was redeveloped by Lawrence and was let in September, 1974. Consequently, the first financial year to have the benefit of a full year's rental will be the year ending 30th June, 1976, when the first income should also be received from the development at 51-53 Grays Inn Road and the development nearing completion in Camden Passage, Islington.

No planning permission has yet been obtained for the redevelopment of the properties shown in Part C of the Valuers' Report below. In view of the present economic uncertainties, the Directors have postponed their plans for the redevelopment of these sites.

One of the Aztec Companies, Third Aztec Land Limited, is currently developing a high quality residential estate in Highgate, London which is expected to be completed by June, 1977. Further details of this development are included in Part F of the Valuers' Report below. The Valuers estimate that, in the light of present market conditions and on the basis of present values, the sale value of the estate, when completed, will amount to £3,267,000. As this is approximately £220,000 less than the Company's present estimate of *the likely cost of completion, full provision for this possible deficiency has been made in the* audited accounts for the six months ended 31st December, 1974.

Triton Land Limited was formed in 1970 to undertake a development in Malta. *Changed political circumstances affected the viability of the project and full provision has* been made to reduce the book cost to its estimated net realisable value of approximately £16,000.

PREMISES

The Group's main premises, including the new head office, are located on a 9.5 acre freehold site at Sawbridgeworth. The offices, which are used by the clerical and administrative staffs of the Company and Lawrence, comprise some 10,500 square feet of space *including a third floor currently being added to the existing building. The site includes* warehousing, Walaw's plant hire depot, a large car park, a sports field and an outdoor swimming pool for the use of employees.

The Joinery works are situated close to the head office site and comprise a factory with modern woodworking equipment and drying kilns and offices, totalling approximately 123,650 square feet. There is also an open timber yard of approximately one acre. With the purchase in *1974* of part of the former Maltings, providing substantially improved access to Joinery's works, and the recent grant of planning permission for further warehousing, the Group has sufficient space for expansion on its land at Sawbridgeworth.

The Company recently acquired the freehold of premises, previously leased by Lawrence, in Matilda Street, Islington, which are used by the City Building Division of Lawrence and by Walaw.

East Anglia occupies freehold premises in Lynn Road, Swaffham which comprise some 4,500 square feet of modern offices, 17,750 square feet of single storey workshops and stores and approximately 2.8 acres of undeveloped land which is available for eventual expansion.

Coyle's head office is situated in freehold premises in Church Street, Weybridge, approximately half of which is let on short leases. Coyle also has temporary offices on a site in High Street, Brentford with planning permission for eventual redevelopment and has a small plant yard in Church Street, Staines.

Engineering occupies short leasehold premises on an industrial estate at Braintree, Essex consisting of 15,000 square feet of workshops and warehouse space.

Further details of the properties occupied by the Group are set out in Part A of the *Valuers' Report below.*

MANAGEMENT AND STAFF

Mrs. R. E. Lawrence, the widow of the late Mr. Guy G. Lawrence, a former Chairman of the Company and grandson of the founder, retired from the Board on 5th June, 1975 having first joined the Board in 1964. In recognition of her services to the Company she has been elected President.

Mr. Prichard is 49 years old and has been a Director of the Company for eleven years, *for over ten of which he has been Chairman. He is a partner in Rooks & Co.*, the Company's solicitors, and Chairman of London and European Group Limited, a property and merchant banking group in London.

Mr. Redgrave *is 43 years old and joined the Company in the new post of Group* Managing Director in February, 1974. He was appointed Deputy Chairman on 5th June, 1975. He has spent most of his working life with companies connected with the building *industry in which he has held a number of senior executive directorships in the past* fifteen years.

Mr. Bray is 37 years old and is the Group Financial Director. After qualifying as a Chartered Accountant in 1961 *he held several appointments in industry before joining the* Company three years ago.

Mr. Harold is 59 years old and has spent substantially the whole of his working life in *the service of the Group, which he joined thirty-six years ago. For many years he was a* contracts manager and was appointed Managing Director of Lawrence in 1974 following five years as a Director.

Mr. Wall is 47 *years old and has been with the Group for the past thirty years. He is* Managing Director of East Anglia, a post he has held since 1970, following some four years as a Director with special responsibility for estimating.

Apart from the Chairman all the Directors have service agreements, details of which are set out under Statutory and General Information below.

The Board is supported by an experienced and able executive team, many of whom *have spent ten or more years with Group companies. There are approximately 1,200 full* time employees of the Group, of whom about 900 are hourly paid and 300 are salaried and over the years labour relations have always been good. It is the Group's policy to employ *bona fide labour-only sub-contractors to the extent necessary to supplement the labour* force of the building and contracting companies. However, the Board recognises and supports the trend in the construction industry towards fuller employment of direct labour and to this end a Group Personnel and Training Manager has recently been appointed. There are contributory pension schemes funded through leading institutions for all members of the staff and for other employees of Joinery and Engineering.

WORKING CAPITAL

The Directors are of the opinion that, having regard to the bank facilities now available, the Group has sufficient working capital for its current requirements.

VALUERS' REPORT

All the properties owned by the Group (excluding Triton Land Limited) and by the Associated Companies were valued as at 30th April, 1975 by Walker Son & Packman, Chartered Surveyors, and details of that valuation are set out in their Report below.

Full provision has been made, where necessary, in respect of any losses arising from the valuation and the appropriate adjustments have been incorporated in the audited accounts as at 31st December, 1974. In particular, full provision has been made in respect of the possible deficiency of approximately £220,000 in respect of the residential development in Highgate, referred to in Property Investment and Development above.

PROFIT RECORD

Details of the profit and loss accounts and balance sheets of the Group for the five years *ended 30th June, 1974 and the six months ended 31st December, 1974*, set out in the Accountants' Report, demonstrate the progress made by the Group during this period.

The trend of Group profits reflects not only the general level of activity in the build*ing industry but also the effect of the Group's profit taking rules which preclude the taking* of any profit on contracts exceeding £50,000 in value until such contracts are 50 per cent. completed and thereafter permit only two-thirds of the profit earned on work certified to *date to be taken, with the balance on practical completion. The application of these rules* largely accounts for the reduction in Group profit in the year ended 30th June, 1972 as it particularly affected the results of East Anglia which throughout the five years ended *30th June, 1974 contributed the major share of Group profits.*

The move to Sawbridgeworth in 1972 formed an important part of the re-organisation of Lawrence's activities which had begun some three years earlier. It was accompanied by *an expansion in the volume of work and size of contracts undertaken by Lawrence*, enabling it to maintain and develop its traditional markets, particularly in the City and Greater London area. The level of overheads was increased during the year ended 30th *June, 1974 in order to provide for a larger scale of operations in the future and this has* already had a beneficial effect on the results for the current year.

Coyle's profits reached a record level in the year ended 30th June, 1974 as a result of *increased profitability on contracting work and of sales completed on residential develop*ments carried out on its own account. The three executive directors of Coyle hold a total of 25 per cent. of Coyle's share capital and have service agreements expiring on 30th June, *1979 which entitle them to commissions on the net profits (before tax) of Coyle. Such com*missions aggregated £40,769 in respect of the year ended 30th June, 1974.

Joinery began to specialise in the manufacture of doors at a time of rapid expansion in housebuilding, enabling it to increase its profits during the two years ended 30th June, 1974 despite a falling volume of sales in the latter part of that period. Sales continued to fall after that date, resulting in a substantial loss during the six months ended 31st December, 1974. Policy changes initiated during that period brought about operating economies and led to the introduction of new management and marketing methods and extensions to the product range.

The exceptional items charged in respect of the year ended 30th June, 1974 arose principally from write-downs in the value of timber stocks and of one site (item 30 in the Valuers' Report below) originally purchased by Lawrence for residential development but for which planning permission was subsequently refused. These write-downs were partly offset by the surplus on a land sale by East Anglia. Apart from the provision of £220,000 in the accounts for the six months ended 31st December, 1974 for possible losses on the sale of the residential development in Highgate, referred to in Property Investment and Development above, no exceptional items are expected to arise in respect of the year ending 30th June, 1975. *The write-down in the values of properties held by the Associated* Companies accounts for the abnormal charge for taxation against the profits for the six months ended 31st December, 1974 and for the extraordinary item in that period.

PROFITS AND PROSPECTS

For the year ending 30th June, 1975 the Group's profits from its building and contracting operations are benefiting from work on contracts entered into when activity in the industry was at a high level and from the application of its profit taking rules. The *profits from these operations for that year may exceed those permitted under the net profit* margin limitation of the counter-inflation legislation by an amount estimated to be not greater than £250,000, but possibly significantly less. The Directors are of the opinion that a sufficient reduction in net profit margins will occur in the coming year, in view of work now being undertaken on contracts taken at lower margins, to eliminate such excess. The value of contract work outstanding, which has not suffered to any material extent from cut backs in the public sector, is currently at a higher level than at any financial year end, other than 30th June, 1974 which included a £4½m. contract obtained in March of that year.

The Joinery business has been adversely affected by the reduction in the demand for housing and a loss is forecast for the year ending 30th June, 1975. Following Joinery's recent re-organisation there has been a major increase in orders for doors which together with the extension of the product range is expected to bring about an early return to profit. The plant hire and engineering operations are expected to continue to make a satisfactory contribution to Group profits.

The Group's rental income has increased substantially as a result of the letting in September, 1974 of its investment property in Sun Street, Finsbury Square. The Directors estimate that net rental income will contribute £120,000 in the year ending 30th June, 1975, with further increases in the future. Full provision has already been made where considered necessary in the audited accounts at 31st December, 1974 in respect of losses arising from the valuation of the Group's properties at 30th April, 1975.

The Directors expect that, in the absence of unforeseen circumstances, Group profits, after minority interests and Associated Companies' losses but before taxation and the extraordinary item, for the year ending 30th June, 1975 will not be less than £800,000 after *charging the exceptional item of £220,000 referred to above. The principal assumptions on* which this forecast is based are set out below together with letters from Peat, Marwick, Mitchell & Co. and Sheppards and Chase.

Out of the profits for the year ending 30th June, 1975 the Directors have declared an interim dividend of 12.5 per cent., amounting to £70,312, payable on 1st July, 1975 to shareholders on the register on 25th June, 1975. They intend to recommend a final *dividend in respect of the year ending 30th June, 1975 of 2.5p per share*, amounting to £100,000, payable in December, 1975.

On the basis of annual Group profits, after minority interests and Associated *Companies' losses but before taxation, of £1,020,000, it would be the intention of the* Board to recommend dividends totalling 4.5p per share in respect of a full year, of which 2p would be payable as an interim dividend in June and 2.5p as a final dividend in December. *Based on an associated tax credit of 35/65ths of the dividends paid, the equiva*lent gross dividend per share would be 6.923p. Assuming a corporation tax rate of 52 per cent., such profits would be appropriated as shown below:—

	£'000
Profits before taxation	1,020
Corporation tax at 52 per cent.	530
Profits available for Ordinary shareholders	490
Dividends of 4.5p per share on the issued Ordinary capital of £1,000,000	180
Retained profits	*£310*
Earnings per Ordinary share	12.25p

On this basis at the placing price of 55p per share, the price/earnings multiple would be 4.5 and the *net dividend of 4.5p per share would be covered 2.72 times by profits after* taxation and with the associated tax credit would result in a gross dividend yield of 12.6 per cent. Based on the audited accounts of the Group at 31st December, 1974, the net tangible assets amount to approximately 93p per Ordinary share.

In view of the nature of the building and contracting industry and having regard to current economic uncertainties, the Directors do not feel able at this stage to forecast profits for the year ending 30th June, 1976. The current high level of contract work outstanding leads the Directors to expect that the Group will not be materially affected at least during the coming year by any further reduction in the level of local and central government expenditure. Moreover, the Group is actively exploring the possibility of obtaining contracts overseas. The expected return to profit of Joinery, the increasing net rental income and the ability of the Group to undertake larger and more profitable contracts encourage the Directors to view the future with confidence.

ACCOUNTANTS' REPORT

The following is a copy of a report in respect of the Group which has been received from Peat, Marwick, Mitchell & Co., the auditors of the Company and reporting accountants:—

11, Ironmonger Lane,
London, EC2P 2AR.
26th June, 1975.

The Directors
Walter Lawrence Limited

and

Sheppards and Chase incorporating
Rowe Swann and Roger Mortimer

Gentlemen,

We have examined the audited accounts of Walter Lawrence Limited ("the Company") and of its subsidiary and associated companies for the periods relevant to this report. The Company and its subsidiaries are collectively referred to as "the Group". We have been auditors of the Company and of its subsidiary and associated companies, except Frederick Coyle & Company Limited (where we were appointed with effect from 1st July, 1974) and Triton Land Limited, in respect of all the relevant accounting periods.

WALTER LAWRENCE LIMITED

Continued

The summarised profit and loss accounts and balance sheets set out below are based on the audited accounts after making such adjustments as we consider appropriate. In our opinion these summaries, together with the notes thereon, give respectively a true and fair view of the profits of the Group attributable to the Company for the periods stated and of the state of affairs of the Company and of the Group at the dates stated.

No audited accounts of the Company or any of its subsidiary companies have been made up in respect of any period subsequent to 31st December, 1974.

Profit and Loss Accounts

	Notes	Year ended 30th June 1970 £000	1971 £000	1972 £000	1973 £000	1974 £000	Six months ended 31st December 1974 £000
Turnover	1(a), 2	7,330	8,625	10,088	12,899	18,742	9,425
Transfer to suspense account	1(b)	—	—	(6)	(23)	(2)	(21)
Operating costs	3	(7,227)	(8,326)	(9,909)	(12,384)	(17,727)	(8,972)
Profit before exceptional items and share of losses of associated companies		103	299	173	492	1,013	432
Exceptional items	4	—	—	—	—	(241)	(220)
Share of losses of associated companies		—	—	—	—	(40)	(27)
Profit before taxation and extraordinary items		103	299	173	492	732	185
Taxation		(40)	(140)	(95)	(281)	(381)	(120)
Profit after taxation and before extraordinary items		63	159	78	211	351	65
Minority interests		(1)	(4)	(6)	(6)	(6)	(7)
Profit before extraordinary items		62	155	72	205	345	58
Extraordinary items after taxation and minority interests	5	2	158	(4)	123	—	(69)
Profit/(loss) attributable to members of the Company		64	313	68	328	345	(11)
Dividends on Ordinary shares	6	(27)	(34)	(50)	(47)	(47)	—
		37	279	18	281	298	(11)
Retained profits/(losses)	17						
The Group		37	279	18	281	338	85
Associated companies		—	—	—	—	(40)	(96)
		37	279	18	281	298	(11)
Earnings per Ordinary share	7	1.55p	3.87p	1.80p	5.12p	8.62p	1.45p

Balance Sheets

The Company 31st December 1974 £000		Notes	The Group 30th June 1969 £000	1970 £000	1971 £000	1972 £000	1973 £000	1974 £000	31st December 1974 £000
	Fixed assets	1 (e), 8							
1,083	Freehold premises		241	244	263	1,937	2,278	1,504	1,381
—	Leasehold premises		—	—	—	13	45	39	52
25	Plant, machinery, fixtures and fittings, and motor vehicles		350	344	350	552	683	742	735
1,108			591	588	613	2,502	3,006	2,285	2,168
1,324	Property held for investment	9	—	—	—	—	433	2,106	2,422
	Subsidiary companies								
[illegible]	Shares at cost		—	—	—	—	—	—	—
2,028	Amounts owing		—	—	—	—	—	—	—
518	Associated companies	10	—	—	—	—	—	653	518
5,803			591	588	613	2,502	3,439	5,044	5,108
	Current assets								
—	Stock and work in progress including land held for development	1 (c), 11	11,478	15,728	20,731	23,330	30,132	37,577	43,248
—	less Cash received on account		10,144	13,834	18,286	21,454	26,628	33,219	38,766
—			1,332	1,894	2,445	1,876	3,504	4,358	4,482
45	Debtors	12	476	490	518	580	903	822	874
5	Quoted shares at cost	13	5	5	5	5	5	5	5
8	Unquoted shares at Directors' valuation		8	8	8	8	8	8	8
—	Bank deposits and cash in hand		146	99	277	674	126	53	—
58			1,967	2,496	3,253	3,143	4,546	[illegible]	5,369
	Current liabilities								
131	Creditors and accrued charges		979	1,155	1,389	1,583	2,363	3,221	3,095
1,778	Bank loans and overdrafts (secured)	14, 19	203	508	660	582	1,335	2,273	1,410
—	Taxation	1 (f), 16	73	67	108	114	149	—	177
—	Dividends		27	27	34	50	47	47	—
1,909			1,282	1,757	2,191	2,329	3,884	5,541	4,682
(1,851)	**Net current assets/(liabilities)**		685	739	1,062	814	662	(195)	687
(1,000)	Bank term loan (secured)	15	—	—	—	—	—	—	(1,000)
(186)	Deferred taxation account	1 (f), 16	(15)	(18)	(57)	(351)	(523)	(1,014)	(1,008)
—	Minority interests		—	(3)	(12)	(1)	(107)	(90)	(71)
(1,186)			(15)	(21)	(69)	(352)	(630)	(1,104)	(2,079)
2,766	**Net tangible assets attributable to members of the Company**		1,261	1,306	1,606	2,964	3,461	3,745	3,716
	Representing:								
563	Ordinary share capital		450	450	563	563	563	563	563
	Reserves								
2,203	– The Group		811	856	1,043	2,401	2,898	3,222	3,289
—	– Associated companies	17	—	—	—	—	—	(40)	(136)
2,766			1,261	1,306	1,606	2,964	3,461	3,745	3,716

Notes:

Accounting Policies

1. The foregoing summaries reflect the application of the following principal accounting policies on a consistent basis throughout the period under review and compliance with statements of standard accounting practice nos. 1-6 and 8.

(a) **Turnover**

Turnover represents:–

(i) in the case of building and contracting work the sales value of work executed in the year less profit deferred in accordance with the policy set out in (b) below;

(ii) in other cases the invoiced value of sales and services.

Sales between companies in the Group are excluded with the exception of building contracts carried out for other group companies.

(b) **Profits**

Profits on contracts with sales value exceeding £50,000 are not taken until 50 per cent. of the latest estimate of total contract value has been completed, or in the case of term maintenance contracts until 50 per cent. of the term has elapsed. From that stage two-thirds of the profit to date is taken (as estimated by officials of the Group based on valuations agreed with clients' surveyors) with the balance after making provision for outstanding obligations, being taken on practical completion. Profits on contracts with a sales value under £50,000 are taken as they accrue over the life of the contract.

Housebuilding profits are taken when there has been an exchange of contracts with purchasers and houses are physically completed, provided that legal completion has taken place within two months after the year-end.

Net profits on building work carried out for other Group companies are suspended until the relevant development or investment property is sold outside the Group; on such sales the suspended profit is released to the profit and loss account.

(c) **Work in Progress**

Work in progress in respect of building and contracting work is stated at cost including site overhead expenses plus a proportion of profit earned to date, computed as described in (b) above. Full provision is made for anticipated losses or reductions in estimated profit to date of completion. Claims receivable arising on contracts are normally taken to credit when agreed and paid.

Houses under construction are valued at the prime cost of materials and labour (less provisions for estimated losses where appropriate) after deducting the estimated costs attributable to the units sold on that site.

Land held for and in course of development is stated at the lower of cost and net realisable value as estimated by the Directors.

Work in progress of the manufacturing companies is stated at the lower of cost of direct labour and materials and net realisable value.

(d) **Interest**

Interest payable in respect of properties for and under development held as current assets is included in their cost. Other interest is written off to the profit and loss account as incurred.

(e) **Depreciation and amortisation**

No depreciation is provided in respect of freehold land and buildings. The cost of leases having an unexpired period of less than 50 years and of improvements to leasehold premises are amortised on a straight line basis over the residual life of the lease.

The cost of plant and machinery is in general written off by equal annual instalments over its estimated economic life which for most items of contracting plant is taken to be three years.

(f) **Deferred taxation**

Deferred taxation is provided, using the liability method at the latest corporation tax rate, on the excess of the book value of fixed assets eligible for capital allowances over the corresponding tax written down value, and on suspended profits referred to under (b) above.

Deferred taxation is provided, at the rate of 30 per cent. applicable to chargeable gains, in respect of the liability that would arise if the properties held by the Group as fixed assets or investments were disposed of at the valuations incorporated in the accounts.

In the balance sheets at 30th June and 31st December, 1974 deferred taxation is also provided at the current rate of corporation tax in respect of tax relief for increases up to 30th June, 1974 in work in progress including land held for development and property under construction pursuant to section 18, Finance Act 1975 and to clause 49 of the Finance (No. 2) Bill 1975 as originally published. The period of deferment will depend upon future legilsation.

Advance corporation tax on dividends paid or payable is included as a deduction from the deferred taxation account.

(g) **Research and development**

Expenditure on research and development is written off as incurred.

(h) **Rates of exchange**

Assets and liabilities in foreign currencies have been expressed in sterling at the rates of exchange ruling at the relevant accounting dates.

Profits

2. Turnover includes building and contracting work carried out for Group companies, amounting for years ended 30th June to 1971 – £12,000 1972 – £178,000 1973 – £634,000 1974 – £1,318,000 and for the six months ended 31st December, 1974 £555,000 (see note 1 (a)).

3. Operating costs are arrived at:–

	Year ended 30th June 1970 £000	1971 £000	1972 £000	1973 £000	1974 £000	Six months ended 31st December 1974 £000
After charging:						
Depreciation (Note 1 (e))	98	97	128	259	382	229
Bank interest (Note 1 (d))	11	27	15	25	235	274
Plant hire	21	16	19	94	173	103
After crediting:						
Net rental income	8	8	11	11	38	48
Interest and dividends receivable	11	11	35	48	169	94
Bank interest charged to property developments (Note 1 (d))	11	27	15	12	48	82

4. Exceptional items arose as follows:–

	Year ended 30th June 1974 £000	Six months ended 31st December 1974 £000
Provision to reduce cost of development land to estimated realisable value	332	220
Provision for loss on timber stocks	56	—
	388	220
Less: Surplus on sale of land	147	—
	241	220

5. Extraordinary items are as follows:–

	Year ended 30th June 1970 £000	1971 £000	1972 £000	1973 £000	1974 £000	Six months ended 31st December 1974 £000
Sale of property held for investment	—	212	—	243	—	—
Share of provision against investment held by associated company	—	—	—	—	—	(69)
Other items	2	(4)	(4)	3	—	—
	2	208	(4)	246	—	(69)
Less: Taxation	—	50	—	90	—	—
Minority interest	—	—	—	33	—	—
	2	158	(4)	123	—	(69)

6. The rates of dividend paid during the period under review were as follows:–

1970 (note (a))	Gross	6%
1971	Gross	6%
1972	Gross	8%
1973 (note (b))	Net	8.3%
1974	Net	8.3%

(a) The issued ordinary share capital on which dividends were paid was £450,000 in the year to 30th June, 1970 and £562,500 thereafter.

(b) Equivalent to 12 per cent. under the system of corporation tax effective in previous years.

7. The calculation of earnings per Ordinary share is based on the profit before extraordinary items and on 4,000,000 Ordinary shares, on the basis that the reorganisation of the share capital on 26th June, 1975 had been effective for all the relevant periods.

Balance sheets

8. The fixed assets occupied or used by the Company and the Group at 31st December, 1974 were made up as follows:–

The Company At cost or valuation £000	Depreciation £000	Book value £000		The Group At cost or valuation £000	Depreciation £000	Book value £000
1,083	—	1,083	Freehold premises—valuation	1,381	—	1,381
—	—	—	Leasehold premises—valuation	52	—	52
59	34	25	Plant, machinery, fixtures and fittings, motor vehicles at cost less hire purchase outstanding £235,000	1,847	1,112	735
1,142	34	1,108		3,280	1,112	2,168

Freehold and leasehold premises have been incorporated in the balance sheets at 31st December, 1974 at professional valuations as at 30th April, 1975 carried out by Walker Son & Packman, Chartered Surveyors, on the basis of open market value assuming vacant possession at that date less costs incurred since 31st December, 1974. Prior to that date the properties concerned were stated at cost or valuation.

9. Properties held for investment have been incorporated in the balance sheets at 31st December, 1974 as follows:–

The Company Freehold £000	Leasehold £000		The Group Freehold £000	Leasehold £000
1,324	—	Valuation	2,146	—
—	—	Cost	—	276
1,324	—		2,146	276

Investment properties have, with one exception, been incorporated in the balance sheets at 31st December, 1974 at professional valuations carried out by Walker Son & Packman as at 30th April, 1975 on the basis of open market value at that date less costs incurred since 31st December, 1974. Prior to that date the properties concerned were stated at cost or valuation. The property stated at cost has been valued by Walker Son & Packman as at 30th April, 1975 at £400,000 on the basis of open market value on the assumption that the leasehold interest and the freehold interest are offered for sale together subject only to the occupational lease. Their opinion of the open market value as at 30th April, 1975 of the leasehold interest in isolation is £225,000; the cost at that date was £305,000. The Group is currently negotiating the sale of this property and it has not been revalued as in the opinion of the Directors its eventual sale will result in a surplus over book value.

10. The interest in associated companies at 31st December, 1974 was:–

The Company £000		The Group £000
1	Shares at cost	1
517	Loans and amounts due less provisions	653
—	Share of accumulated losses	(136)
518		518

11. Stock and work in progress as at 31st December, 1974 was made up as follows:–

	£000
Work in progress on uncompleted contracts	39,401
Less: Amounts received on account	38,766
	635
Property held for and in course of development	3,043
Stocks	804
	4,482

After making appropriate adjustments for additions and disposals between 31st December, 1974 and 30th April, 1975 the aggregate amount at which sites held for and in course of residential development are included in the balance sheet at 31st December, 1974 exceeds the corresponding aggregate amount at which they were valued on the basis of disposal in their existing state as at 30th April, 1975 by Walker Son & Packman by approximately £100,000. No provision has been made for this deficiency as in the opinion of the Directors the completion of the proposed developments in respect of each site will result in a surplus.

12. Debtors include unsecured loans to two Directors of the Company which at 31st December, 1974 amounted to £25,000 and were in respect of house purchase and carry interest at 5 per cent. per annum.

13. The market value of quoted investments as at 31st December, 1974 was £10,000.

14. Bank loans carry interest at rates of between 1½ per cent. and 3½ per cent. over base rate, they do not have fixed repayment dates but a loan charged on a property development amounting to £720,000 at 31st December, 1974 is repayable as to 40 per cent. of the proceeds of each property sale in that development.

15. The Company has been granted a term loan facility of £1m. for a period of five years from 13th June, 1975 with drawdown facilities for the first two years. This loan carries interest at 2½ per cent. over base rate and an additional ½ per cent. is payable in respect of the undrawn part of the facility.

16. At 31st December, 1974 the deferred taxation account comprised:–

The Company £000		The Group £000
—	Accelerated capital allowances and other timing differences	319
70	Taxation in respect of revalued properties	160
140	Taxation in respect of a first letting deferred to future years	140
—	Relief for increases in value of work in progress including land held for development and property under construction	413
(24)	Advance Corporation Tax	(24)
186		1,008

Taxation shown under current liabilities as at 31st December, 1974 comprised £157,000 in respect of the profits for the six months ended on that date and £20,000 in respect of taxation arising on a first letting. These amounts are payable not earlier than 1st January, 1977.

17. Reserves and undistributed profits

	Year ended 30th June 1970 £000	1971 £000	1972 £000	1973 £000	1974 £000	Six months ended 31st December 1974 £000
Opening balance	811	856	1,043	2,401	2,898	3,182
Retained profits for the year	37	279	18	281	298	(11)
Surplus on revaluation of freehold land and buildings	8	25	[illegible]	188	—	32
Transfer from/(to) deferred taxation in respect of revaluation surpluses	—	—	(250)	28	(20)	(50)
Transfer from minority interest	—	—	—	—	6	—
Issue of fully paid bonus shares	—	(118)	—	—	—	—
Closing balance	856	1,043	2,401	2,898	3,182	3,153

18. Capital expenditure authorised at 31st December, 1974 amounted to £235,000 of which £230,000 had been committed.

19. The Company is contingently liable in respect of performance bonds relating to its subisidiaries totalling £928,076 as at 31st December, 1974. The Company has given a secured guarantee of a bank loan to Triton Land Limited up to a limit of Maltese pounds 95,000 (£113,000). There is a contingent liability of £3,696 in respect of the Company's share of the uncalled capital of Triton Land Limited.

A Group banking arrangement is in operation under which the Company and certain of its subsidiaries are jointly and severally liable to the bank for the whole of the amount outstanding and memorandum accounts are operated for each such company. At 31st December, 1974 the overdraft on the Group account was £351,000 whereas on the Company's memorandum account the overdraft was £1,778,000. Further guarantees in respect of bank borrowings by subsidiaries of £980,000 have been given as at 31st December, 1974.

Yours faithfully,
PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants

VALUERS' REPORT

The following is a copy of a report which has been received from Walker Son & Packman, Chartered Surveyors:–

23 Lawrence Lane,
London, EC2V 8DD.
26th June, 1975.

The Directors
Walter Lawrence Limited

Gentlemen,

In accordance with your instructions we have inspected and considered the properties short particulars of which are set out below. On the basis of information as to tenure, lettings, town planning consents and the like which you have given to us, the figures for capital value shown below represent our opinion as to value as at 30th April, 1975 of the properties owned by the Company, its subsidiaries and Associated Companies on the basis of a sale between willing buyer and willing seller, with the exception of West Hill Park, Merton Lane, Highgate, London, N6 which is described in Part F below.

The values are subject to the existing tenancies as described or upon vacant possession in the case of accommodation occupied by the Company or its subsidiaries. No allowance has been made for realisation expenses or for the incidence of any form of taxation.

No structural surveys have been made and although our valuations allow for any want of repair we noticed during our inspections we cannot confirm that the properties are entirely free from defects. No services have been tested by us.

Out valuation does not take account of any rights, obligations or liabilities, whether prospective or accrued, under the Defective Premises Act 1972.

We assume that the properties are free of any encumbrances, restrictions or other outgoings (except those which have been indicated to us) of an onerous nature which would affect the value.

We have used the following abbreviations in our Report:–

The Group	Walter Lawrence Limited and its subsidiary companies.
Associated Companies	Fifth Aztec Land Limited, Sixth Aztec Land Limited, Seventh Aztec Land Limited and Eighth Aztec Land Limited.
Lawrence	Walter Lawrence & Son Limited.
East Anglia	Walter Lawrence (East Anglia) Limited.
Coyle	Frederick Coyle & Company Limited.
Net annual rentals	The actual annual income receivable from each property accruing at the date of valuation before deducting taxation but after making provision for head rents, rates, insurance, repairs, maintenance and other outgoings. No allowance has been made for management.

A. Properties wholly or largely occupied by the Group

Property	Approximate site area acres	Description	Tenure	Term of tenants leases	Net annual rentals £	Capital value £
1. Lawrence House, Sun Street, Sawbridgeworth, Herts.	4.10	Offices of 7,380 sq. ft. net plus 3,100 sq. ft. under construction together with 2.9 acres of land used for recreation purposes.	Freehold	—	—	280,000
2. Walter Lawrence Joinery Warehouse, Sun Street, Sawbridgeworth, Herts.	2.65	Warehouse of about 19,800 sq. ft.	Freehold	—	—	118,000
3. Walaw Yard, Sun Street, Sawbridgeworth, Herts.	2.75	Plant yard containing workshops and ancillary space of about 12,400 sq. ft.	Freehold	—	—	90,000
4. Walter Lawrence Joinery Works, Sheering Mill Lane, Sawbridgeworth, Herts.	5.63	Factory with ancillary stores and offices of about 123,650 sq. ft.	Freehold	—	—	440,000
5. The Maltings, Station Road, Sawbridgeworth, Herts.	2.30	Part of former maltings comprising buildings of about 63,000 sq. ft.*	Freehold	(i) 15 years from 11th July, 1974 with reviews every five years.** (ii) Tenancy for a term not exceeding two years from March, 1974.	2,750 / 600	50,000

Property	Approximate site area acres	Description	Tenure	Term of tenants leases	Net annual rentals £	Capital value £
62-64 Matilda Street, London, N1	0.36	Builders yard with offices, workshops and stores having a total area of about 16,500 sq. ft.	Freehold	—	—	110 000
40 Church Street, Weybridge, Surrey.	0.15	Shops and offices of about 5,800 sq. ft.	Freehold	Three tenancies expiring in 1981 subject to rent reviews in 1976.	4,280	133,000
61 High Street, Brentford, Middlesex.	0.21	Builders yard with temporary offices. Planning consent for 11,450 sq. ft. gross offices and builders workshop.	Freehold	—	—	83,000
Depot at Lygn Road, Swaffham, Norfolk.	4.80	Workshops and stores of about 17,750 sq. ft. and offices of about 4,500 sq. ft.	Freehold	—	—	100,000
0. 75-79 Church Street, Staines, Surrey.	0.20	Builders yard, outbuildings and three cottages.	Freehold	One regulated residential tenancy.	—	26,000
Units 4-8 Broomhills Industrial Estate, Braintree, Essex.	0.62	5 light industrial units having a total floor area of 15,000 sq. ft.	Leasehold for terms expiring in Sept. and Nov., 1975 at rents totalling £9,946 per annum.***	—	—	Nil
					7,630	1,498,000

*The two tenants occupy about 24,000 sq. ft. The remaining 39,000 sq. ft. is at present vacant and it is intended that this space will eventually be occupied by the Group.

**At the first review the revised rent is to be the greater of either the initial rent, or 7½ per cent. of the capital value of the premises at the date of the review. At the second review the percentage is increased from 7½ to 10 per cent. In default of agreement on the capital value the sum of £55,000 is to be used as a base value and increased in accordance with any increase in the retail price index since July 1973.

***The leases provide that if the lessees wish to assign or underlet they must first offer to surrender their interest to the lessors without consideration.

Properties held as investments

Property	Description	Tenure	Term of tenants leases or underleases	Net annual rentals £	Capital value £
31-35 Sun Street, London, EC2.	Offices of about 11,000 sq. ft.	Freehold	20 years from 29th Sept., 1974 with rent reviews every five years.	116,500	1,300,000
16-20 Dereham Place, London, EC2.	Light industrial building of about 2,331 sq. ft. net.	Freehold	20 years from 24th June, 1973 with rent reviews every five years.	3,800	31,000
91-93 Southwark Street, London, SE1.	Offices of about 10,200 sq. ft.	Leasehold 125 years from 24th June, 1973 at £35,000 p.a. with rent reviews every seven years to 50 per cent. rental value.	20 years from 29th Sept., 1973 with rent reviews every five years.	35,000	400,000†
5. 51-53 Grays Inn Road, London, WC1.	Offices of about 4,480 sq ft. with showrooms and residential area of about 4,300 sq. ft.	Freehold	Vacant	Nil	550,000
6. Camden Passage, Islington, London, N1.	Ten shops and storage of about 7,550 sq. ft., offices of about 1,520 sq. ft. and nine maisonettes.	Freehold	Vacant	Nil	412,000††
7. Two Oaks, Monument Hill, Weybridge, Surrey.	Block of 17 flats with eight garages.	Freehold	99 years from 25th Sept., 1972 with fixed rent increases at 25 year intervals.	425	2,550
18. Clarence House, Queen's Road, Walton-on-Thames, Surrey.	Block of 12 flats with garages.	Freehold	99 years from 25th Sept., 1972 with fixed rent increases at 25 year intervals.	300	1,800
				156,025	2,697,350

†This valuation is based on the assumption that the leasehold interest and the freehold interest are offered for sale together on the open market subject only to the occupational lease and that the lessees will receive 47.22 per cent. of the net proceeds of sale. The freeholders and lessees have agreed by an exchange of letters to offer the property for sale on this basis for a period of six months from June, 1975. Our opinion of the open market value as at 30th April, 1975, of the leasehold interest in isolation is £225,000.

††The property is due to be completed by 31st August, 1975 at a further cost of approximately £90,000 and it is estimated that when completed and let it will have a capital value of £620,000, which figure includes the capital value of the residential units which will be sold.

C. Properties held for redevelopment and investment by Associated Companies

Property	Description	Tenure	Term of tenants leases	Net annual rentals £	Capital value £
8. 105 Deodar Road, Putney, London, SW15.	Factory and ancillary accommodation of about 30,850 sq. ft., offices and canteen of about 7,000 sq. ft.	Freehold	Lease expiring in November 1978.	1,200	290,000
55 Grays Inn Road, London, WC1.	Workshops and offices of about 2,700 sq. ft.	Leasehold 125 years from 22nd November, 1973 at £6,000 p.a. with fixed increase of £1,000 p.a. every 25 years.	Two leases expiring in October, 1975 and one in June, 1979.	Deficit of 4,750	Nil
57 & 57A Grays Inn Road, London, WC1.	Two shops and storage with residential upper part totalling about 2,200 sq. ft.	Leasehold 125 years from 22nd November, 1973 at £3,500 p.a. with fixed increase of £600 p.a. every 25 years.	Two residential tenancies and one lease on shop and store 57A, expiring in March, 1977. Part vacant.	Deficit of 2,750	Nil
99-101 Grays Inn Road and 7 & 7A Brownlow Mews, London, WC1.	Mixed use buildings with offices, shops, storage and residential space totalling about 7,675 sq. ft.	Freehold	Vacant apart from one lease on offices expiring in September, 1976.	1,500	117,000
				Deficit of 4,800	407,000

Sites in the course of residential development

Property	Approximate site area acres	Description	Tenure	Units under construction	Units to be constructed	Capital value in existing state £
East Anglia						
Fairfields Estate, Attleborough, Norfolk.	3.27	Residual portion of large estate.	Freehold	Eight	Fifteen	50,000
Necton Road, Little Dunham, Norfolk.	6.16	1.58 acres under development with seven dwellings. No planning consent on remaining 4.58 acres.	Freehold	Five	Two	42,000
Coyle						
Ranmore, Leatherhead Road, Leatherhead, Surrey.	0.71	Under development with two detached houses.	Freehold	Two	Nil	56,000
Land at Chertsey Lane, Egham, Surrey.	11.39	5.20 acres under development with fifty-eight houses; 1.06 acres zoned for residential development but no existing planning consent; 5.13 acres designated as part of Metropolitan Green Belt with no planning consent for development.	Freehold	Twenty-six	Thirty-two	379,000
27. Forest Lodge Park, Liss Forest, Nr. Petersfield, Hants.	5.86	Under development with thirty-three houses.	Freehold	Ten	Twenty-three	315,000
28. Forest Corner, Forest Road, Liss Forest, Nr. Petersfield, Hants.	1.24	Under development with five detached bungalows.	Freehold	Three	Two	54,250
29. Silver Birches, Warren Road, Liss Forest, Nr. Petersfield, Hants.	0.52	Bungalow under modernisation and one further plot with detailed planning consent for a bungalow.	Freehold	One	One	16,000
						912,250

E. Sites held for residential development in the future

Property	Approximate site area acres	Description	Tenure	Capital value £
Lawrence				
30. Chaseways and Wheatley Close, Sawbridgeworth, Herts.	22.00	Adjoins residential area. No existing planning consent.	Freehold	67,000
East Anglia				
31. Chequers Road, Grimston, Norfolk.	9.50	Detailed planning consent for 67 dwellings.	Freehold	100,000
32. North Street, Castle Acre, Norfolk.	2.56	Outline planning consent for residential development on part.	Freehold	16,000
33. Back Lane, Castle Acre, Norfolk.	0.79	Detailed planning consent for three dwellings.	Freehold	7,500
34. Land at Holme Hale, Norfolk.	1.03	Detailed planning consent for eight dwellings.	Freehold	10,000
Coyle				
35. Dingley Dell and Killington, Mount Hermon Road, Woking, Surrey.	0.48	Detailed planning consent for twelve flats.	Freehold	28,500
36. Onslow Crescent, Woking, Surrey.	0.83	Zoned for residential development but no existing planning consent.	Freehold	15,000
37. 131 Standard Road, Hounslow, Middlesex.	0.21	Zoned for residential use at 70 habitable rooms to the acre, but no existing planning consent.	Freehold	16,000
38. Golf Club Road, St. George's Hill, Weybridge, Surrey.	1.00	Outline planning consent for one house.	Freehold	25,000
39. Forest Edge, Liss Forest, Nr. Petersfield, Hants.	1.72	Zoned for residential purposes but no existing planning consent.	Freehold	28,000
				313,000

F. West Hill Park, Merton Lane, Highgate, London, N6

This estate is at present under development and will ultimately consist of fifty three residential properties, including the porter's lodge. The estate will contain a wide range of properties including houses, studios, flats and penthouses with sale prices presently anticipated from £25,000 to figures in the region of £150,000. The entire development has been designed to a high standard on a site of approximately 6.25 acres. Twenty-two properties have been completed and the remainder are at varying stages of construction.

The development is being carried out under a lease dated 25th August, 1972 granted by the Trustees of the Sacred Heart Sisters for a term of 100 years from 1st July, 1971 at a rent of £29,000 per annum. The lessees do not have the right to assign their interest while the development is being carried out and it is therefore not appropriate to state the present capital value.

We have inspected the site and the properties which have been constructed so far. We are of the opinion that in the light of present market conditions and on the basis of present values the eventual total realisation from the sale of all the properties will amount to £3,267,000 (*Three Million Two Hundred and Sixty Seven Thousand Pounds*).

SUMMARY

	Present capital value £	£
The Group		
A. Properties wholly or largely occupied by the Group		
Freehold 10 properties	1,498,000	
Leasehold 1 property	Nil	
		1,498,000
B. Properties held as investments		
Freehold 6 properties	2,297,350	
Leasehold 1 property	400,000	
		2,697,350
D. Sites in the course of residential development		
Freehold 7 properties		912,250
E. Sites held for residential development in the future		
Freehold 10 properties		313,000
		5,420,600
Associated Companies		
C. Properties held for redevelopment and investment		
Freehold 2 properties		407,000
Leasehold 2 properties		Nil
		407,000

We are, Gentlemen,
Yours faithfully,
WALKER SON & PACKMAN,
Chartered Surveyors

PROFIT FORECAST

Assumptions

The profit forecast set out above for the year ending 30th June, 1975 is on the basis that no provision will be made for so much of the profits in the building and contracting business as may exceed the level permitted under the counter-inflation legislation, as referred to in the Accountants' letter below.

In arriving at the profit forecast by the Directors for the year ending 30th June, 1975 *the principal assumptions made are that*:–

(1) Group turnover of £20,100,000 will be achieved as set out under Business above and net rental income will amount to £120,000.

(2) Overhead costs will have inflated at an annual rate of 20 per cent. since 1st January, 1975.

(3) No further moneys in respect of claims against clients or their nominated sub-contractors will be received before 1st July, 1975.

The provision made for the total anticipated loss on the Highgate development has been calculated on the assumptions that the development will be completed by June, 1977 and will realise the sale value estimated in the Valuers' Report above.

Letters

The following are copies of letters received by the Directors relating to the profit forecast for the financial year ending 30th June, 1975.

The Directors
Walter Lawrence Limited
26th June, 1975.

Gentlemen,

We have reviewed the accounting bases and calculations for the profit forecasts of Walter Lawrence Limited and its subsidiary companies (for which the Directors are solely responsible) for the year ending *30th June, 1975 as set out in the document dated 26th* June, 1975 issued by your Company in connection with a placing of 800,000 Ordinary shares of 25p each.

The forecast Group profits before taxation, so far as they relate to building and contracting are, in our opinion, likely to exceed the level permitted under counter-inflation legislation by an amount estimated to be not greater than £250,000. However you have informed us that you are of the opinion that a sufficient reduction in net profit *margin will occur in the year ending 30th June, 1976 in view of the work now being* undertaken on contracts taken at lower margins to eliminate such excess.

On this basis in our opinion the forecast so far as the accounting bases and calculations are concerned, has been properly compiled (on the footing of the assumptions made by the Directors set out in the document) and is presented on a basis consistent with the accounting practices normally adopted by the Group.

Yours faithfully,
PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants.

The Directors
Walter Lawrence Limited
26th June, 1975.

Gentlemen,

We refer to the document dated 26th June, 1975 issued by your Company in connection with a placing by ourselves of 800,000 Ordinary shares of 25p each. The document contains a forecast (for which you as Directors are solely responsible) of the Group profits of Walter Lawrence Limited and its subsidiaries for the year ending 30th June, 1975. We have discussed with you the bases and assumptions upon which the forecast has been made and have considered the letter dated 26th June, 1975 addressed to you from Peat, Marwick, Mitchell & Co. regarding the accounting bases and calculations for the forecast.

In our opinion, the profit forecast for the year ending 30th June, 1975 has been prepared after due and careful enquiry.

Yours faithfully,
SHEPPARDS AND CHASE,
Members of The Stock Exchange.

STATUTORY AND GENERAL INFORMATION

Capital History

On 1st June, 1975 the authorised share capital of the Company was £612,500 divided into 612,500 Ordinary shares of £1 each of which 562,500 Ordinary shares had been issued and were fully paid. By resolutions passed at an Extraordinary General Meeting of the Company on 26th June, 1975:–

(1) the Share Option Scheme of the Company adopted by Special Resolution on 20th March, 1973 was terminated;

(2) each of the existing Ordinary shares of £1 each was sub-divided into four Ordinary shares of 25p each;

(3) the authorised share capital of the Company was increased from £612,500 to £1,400,000 by the creation of 3,150,000 new Ordinary shares of 25p each;

(4) the sum of £421,875 standing to the credit of the Company's reserves was capitalised and 1,687,500 Ordinary shares of 25p each were distributed credited as fully paid up amongst the Ordinary shareholders; and

(5) the Company adopted new Articles of Association and thereby ceased to be a private company.

No options were granted or shares issued under the Share Option Scheme referred to in (1) above.

Placing Agreement

Pursuant to Contract (10), subject to a listing being granted not later than 9th July, 1975 by the Council of The Stock Exchange for the whole of the share capital of the Company issued and to be issued, Sheppards and Chase have agreed (1) to subscribe 62,500 Ordinary shares at 54½p per share (2) to purchase 737,500 Ordinary shares from certain shareholders of the Company ("the Vendors") at 54½p per share and (3) to place the resultant 800,000 Ordinary shares at 55p per share.

The Company will pay the costs and expenses of and incidental to the reorganisation and increase of its share capital and the application for listing for its Ordinary shares, accountancy, legal, valuation and registration fees, printing and advertising costs, and a fee to Sheppards and Chase. The aggregate costs and expenses payable by the Company are estimated to amount to £115,000 (excluding VAT). The Vendors will pay their own legal expenses (if any) and any stamp duty payable in connection with the sale by them of Ordinary shares as mentioned above.

Subsidiary and Associated Companies

The subsidiaries of the Company, their share capitals and dates of incorporation are shown below. Except as indicated all subsidiaries are wholly owned, unlisted and incorporated in England.

	Issued share capital £	Date of incorporation
Walter Lawrence & Son Limited	100,000	24.12.1963
Walter Lawrence (East Anglia) Limited	200,000	13. 6.1969
Walter Lawrence Joinery Limited	100,000	25. 1.1963
Walter Lawrence Engineering Limited	1,000	27. 7.1972
Frederick Coyle & Company Limited (75 per cent. owned)	10,405	25.11.1927
Walaw Plant Hire Limited	1,000	25. 7.1972
Aztec Land Limited (75 per cent. owned)	100	10. 9.1969
Second Aztec Land Limited (60 per cent. owned)	100	18. 7.1972
Third Aztec Land Limited (75 per cent. owned)	100	28. 8.1972
Triton Land Limited (incorporated in Malta)	1,120	9. 5.1961

The Company owns 50 per cent. of the equity capital of each of the following companies, all of which are unlisted and incorporated in England: Fifth Aztec Land Limited, Sixth Aztec Land Limited, Seventh Aztec Land Limited, Eighth Aztec Land Limited.

Articles of Association

The Articles of Association contain provisions to the following effect:–

(1) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (so far, as regards subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being *remaining undischarged of all money borrowed by the Group and for the time being owing to persons* outside the Group shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed an amount equal to twice the Adjusted Capital and Reserves (as such expression is defined for the purpose of the Articles).

(2) Subject to any special rights or restrictions as to voting attached to any class of shares, on a show of hands every member who is present in person at a general meeting of the Company shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every 25p nominal amount of share capital of which he is the holder.

(3) No Director holding office as Managing or Joint Managing Director shall be subject to retirement by rotation.

(4) The ordinary remuneration of the Directors shall from time to time be determined by an Ordinary Resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.

(5) Any Director who holds any executive office (including the office of Chairman or Deputy Chairman *whether or not such office is held in an executive capacity) or who serves on any committee or who other*wise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director may be paid such extra remuneration by way of salary, commission, or otherwise as the Directors may determine.

(6) A Director may contract or be interested in any contract or arrangement with the Company or with any other company in which the Company may be interested and may hold and be remunerated in respect of any office or place of profit (other than that of auditor of the Company or of any subsidiary) under the Company or any such other company and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him therefrom.

(7) A Director who is in any way either directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of his interest in accordance with the provisions of the Companies Acts 1948 to 1967.

(8) Subject to certain exceptions conforming with Stock Exchange requirements, including (9) below, a Director shall not vote at Board Meetings in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(9) A Director may vote on and may be counted in the quorum present for the purpose of considering any proposal concerning the adoption, modification, or operation of a superannuation fund or retirement benefits scheme under which he may benefit, and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for tax purposes.

(10) The Directors may from time to time appoint to be President of the Company any person (whether or not a Director) who in their opinion has rendered outstanding services to the Company. The person so appointed shall not by virtue of his office as President be deemed a Director or carry out any executive function but may attend but not vote at Board Meetings at the invitation of the Directors and may be paid such remuneration as *the Directors may think fit.*

Section 185 of the Companies Act 1948 (relating to the retirement of directors under age limit) applies to the Company.

Material Contracts

The following Contracts (not being contracts in the ordinary course of business) have been entered into within the two years preceding the date hereof and are or may be material:–

(1) Agreement dated 3rd December, 1973 between the Company (1) and Mr. J. A. B. Redgrave (2) as amended by an Agreement dated 5th June, 1975 between the same parties whereby Mr. Redgrave agreed to serve the Company as Managing Director at a salary currently at the rate of £20,000 per annum (inclusive of Director's fees) for a term of 7 years from 1st June, 1975.

(2) Agreement dated 28th February, 1974 between Henry Sykes Limited (1) Mr. A. E. Hepper (2) and the Company (3) whereby the party of the first part agreed to make available to the Company the services of Mr. A. E. Hepper for a period of 5 years from 1st January, 1974 in consideration of a fee at the rate of £9,500 per annum (plus VAT) subject to increase as therein mentioned.

(3) Transfer dated 15th January, 1975 between Mr. R. W. Lunce (1) and the Company (2) whereby the Company purchased 100 Ordinary shares of £1 each in Walaw for a consideration of £12,500.

(4) Agreement dated 15th January, 1975 between the Company (1) and Mr. G. Bray (2) as amended by an Agreement dated 5th June, 1975 between the same parties whereby Mr. Bray agreed to serve the Company as Financial Director at a salary currently at the rate of £10,000 per annum (inclusive of Director's fees) for a term of 7 years from 1st June, 1975.

(5) Exchange of letters dated 25th and 29th April, 1975 respectively between Aztec Land Limited (1) and the Trustees of the Sacred Heart Sisters (2) whereby certain variations were agreed to the Lease dated 25th August, 1972 in respect of West Hill Park, Merton Lane, Highgate, London N6.

(6) Agreement dated 30th May, 1975 between the Company (1) and Mr. J. M. Villiers and Mr. H. Deco (2) whereby it was agreed that, in relation to the Aztec Companies, neither party shall be entitled to receive any sum in respect of profits arising from all or any of such companies without bringing into account that party's share of any losses made by all or any other of such companies, profits and losses being determined *pro rata* to the respective shareholdings in each of such companies.

(7) Transfers dated 11th June, 1975 whereby Third Aztec Land Limited transferred to Mr. J. M. Villiers and Mr. H. Deco a total of 100 shares of £1 each in the capital of Fourth Aztec Land Limited at a price of £1 per share.

(8) Agreement dated 11th June, 1975 between Mr. J. M. Villiers and Mr. H. Deco (1) and the Company (2) whereby Mr. Villiers and Mr. Deco granted an option to the Company to purchase at par 75 shares of £1 each in the capital of Fourth Aztec Land Limited not later than three months after the granting of the planning permissions and other consents therein referred to.

(9) Exchange of letters dated 18th June, 1975 between Aztec Land Limited and Barrington Laurance (on behalf of the owners of the freehold of 91/93 Southwark Street, London SE1) whereby the parties agreed to offer for sale the leasehold and the freehold interest in that property for a period of six months and to split the proceeds of any sale in the proportions therein provided.

(10) Agreement dated 26th June, 1975 between the Vendors (1) the Directors (2) the Company (3) and Sheppards and Chase (4) being the contract referred to above for the subscription, purchase and placing by Sheppards and Chase of a total of 800,000 Ordinary shares of 25p each in the capital of the Company.

(11) Deed dated 26th June, 1975 between Mrs. E. M. Delap, Mrs. D. Dent, Mrs. S. K. Keith, Miss D. A. Lawrence, Miss L. G. Lawrence, Mrs. V. G. Thornton, Mrs. D. Wells and Y.S.P.I.G., S.A. (1) Messrs. W. R. Chapman, B. M. Thornton and R. J. Ewing (as trustees) (2) the Company (3) and Sheppards and Chase (4) whereby the parties of the first and second parts gave certain indemnities to the Company and Sheppards and Chase regarding depletion of assets of the Company or any of its subsidiaries by reason of estate duty, capital transfer tax and other taxation.

Directors' and other Interests

After completion of Contract (10) the Directors and their families (as defined by the regulations of The Stock Exchange) will be interested in the following Ordinary shares of the Company:–

	Beneficial	Non-beneficial
Mr. B. J. Prichard	199,551	567,517
Mr. J. A. B. Redgrave	56,000	—
Mr. G. Bray	—	—
Mr. F. W. Harold	8,340	—
Mr. K. F. Wall	39,634	—

The numbers of shares being sold under such Contract by the respective Vendors are as follows:–

Name of Vendor	*Shares being sold*	*Name of Vendor*	*Shares being sold*
C. G. Branman	17,500	Mrs. S. N. Pyle	3,150
J. L. Christie	21,980	R. W. Rist	3,195
Mrs. E. M. Delap	21,000	Mrs. E. M. Townsend	17,500
F. W. R. Fennell	14,574	K. W. Ward	8,400
A. E. Hepper	127,464	*Y.S.P.I.G., S.A.*	105,000
Mrs. S. K. Keith	21,000	Trustees of T. P. Lawrence Trust	105,000
R. A. Large	4,500	Trustees of Mrs. D. Wells' Settlement	35,000
Miss D. A. Lawrence	37,774	Trustees of Guy G. Lawrence Children's Settlement	35,000
Mrs. R. E. Lawrence	22,155	*Trustees of Mrs. Dent's Guernsey Settlement*	54,000
D. R. Martin	14,875	Trustees of Mrs. V. G. Thornton's Settlement	35,000
H. T. R. Pyle	3,500		

Following completion of such Contract Mrs. R. E. Lawrence and Mr. B. J. Prichard as executors of Guy G. Lawrence deceased will hold 522,970 Ordinary shares representing approximately 13.1 per cent. of the issued Ordinary share capital of the Company. The Directors are not aware of any other holding which, immediately after completion of such Contract, *will represent 10 per cent. or more of the issued Ordinary share capital of the Company.*

Mr. B. J. Prichard is a partner in Rooks & Co., solicitors to the Company, who will receive a fee in connection with the placing, and is also Chairman of London & European Group Limited whose wholly owned subsidiary, London & European Finance & Investment Company Limited, will receive a fee in connection with the placing as advisors to the Board of the Company.

The Company has made loans totalling £23,000 to Croftplex Limited, 5 per cent. of the issued share capital of which is held by the Company and 5 per cent. by Mr. B. J. Prichard who is also a director.

Save as disclosed herein, during the two years preceding the date hereof (i) no Director has had (or now has) any interest direct or indirect in any asset which has been or is proposed to be acquired or disposed of by or leased to the Company or any subsidiary and (ii) there have not been (and are not now) any contracts of significance (as defined by the regulations of The Stock Exchange) subsisting with the Company and/or any of its subsidiaries in which a Director's interest is material.

Directors' Service Agreements

Details of the Service Agreements of Mr. J. A. B. Redgrave and Mr. G. Bray are given under Material Contracts above. Details of the Service Agreements of Mr. F. W. Harold and Mr. K. F. Wall are as follows:–

(1) dated 9th December, 1971 (as amended by a Supplemental Agreement dated 13th June, 1975) between Lawrence (1) and Mr. F. W. Harold (2) whereby the latter agreed to serve Lawrence as Executive Director for a period of 9 years from 9th July, 1971 (subject to the right of Mr. Harold to retire, on or after attaining the age of 60 years, by giving 3 months' notice in writing to Lawrence) at a salary currently at the rate of £12,500 per annum (exclusive of Director's fees);

(2) dated 1st August, 1970 (as amended by a Supplemental Agreement dated 18th September, 1972 and by letters dated 15th November, 1973 and 20th June, 1975) between East Anglia (1) and Mr. K. F. Wall (2) whereby the latter agreed to serve East Anglia as Managing Director until 31st July, 1987 (and thereafter subject to 6 months' notice on either side) at a salary currently at the rate of £12,500 per annum (inclusive of Directors fees) plus a commission of 3 per cent. on the amount by which the net profits (as therein defined) of East Anglia exceed £190,000 in each financial year.

The aggregate emoluments of the Directors for the year ended 30th June, 1974 were £67,625. The amount payable to the Directors for the current financial year under the arrangements in force at the date hereof is estimated at £63,500, excluding any provision for commission payable.

General

1. Surtax, shortfall and apportionment clearances have been obtained, as appropriate, for all relevant periods up to 30th June, 1974 in respect of the Company and for all relevant periods up to 30th June, 1972 in respect of its subsidiaries. Under Contract (11) certain shareholders have given indemnities to the Company and Sheppards and Chase in respect of estate duty, capital transfer tax and other taxation.

2. The Directors have been advised that, immediately following completion of Contract (10) and on the basis of the information now available, the Company will not be a close company as defined in the Income and Corporation Taxes Act 1970.

3. No share or loan capital of the Company or any of its subsidiaries is under option or agreed conditionally or unconditionally to be put under option. Save as disclosed herein and save for shares of subsidiaries issued to the Company or *another subsidiary, within the two years preceding the date hereof* (i) no share or loan capital of the Company or any of its subsidiaries has been issued or is proposed to be issued either for cash or otherwise (ii) no commissions, discounts, brokerages or other special terms have been granted by the Company or any of its subsidiaries in connection with the issue or sale of any part of their respective share or loan capitals and (iii) no property to which paragraph 9 of the Fourth Schedule to the Companies Act 1948 applies has been purchased or acquired by the Company *or any of its subsidiaries or is proposed to be so purchased or acquired.*

4. No material issue of shares (other than to shareholders *pro rata* to their existing holdings) will be made within one year after the date hereof without prior approval of the Company in general meeting, nor without such prior approval will the Directors knowingly make any issue of shares which would effectively alter the control of the Company or the nature of its business.

5. A claim has been made by Henry Sykes Limited against the Company arising out of the termination on 27th September, 1974 of Contract (2) but no writ has yet been served on the Company. Provision has been made in the audited accounts of the Company for the six months ended 31st December, 1974 for the estimated amount payable in respect of such claim.

A counterclaim has been made in arbitration proceedings instituted by Coyle for the recovery of moneys owing to it. No credit has been taken by Coyle in its accounts for these moneys and it is considered that the counterclaim will *not exceed the amount claimed by Coyle.*

With these exceptions neither the Company nor any of its subsidiaries has any litigation or claim of material importance pending or threatened against it.

6. In the opinion of the Directors no amount is required to be raised by the issue of the 62,500 Ordinary shares of the Company being subscribed by Sheppards and Chase under Contract (10) above in order to provide for the matters referred to in paragraph 4 of the Fourth Schedule to the Companies Act 1948. The proceeds of the issue of such shares, amounting to £34,062, will be applied towards the aggregate costs and expenses referred to above, which are payable by the Company.

Consents and Documents

Peat, Marwick, Mitchell & Co. and Walker Son & Packman *have given and have not withdrawn their respective* written consents to the issue of this document with the inclusion therein of their Reports and references thereto in the form and context in which they are included.

Peat, Marwick, Mitchell & Co. and Sheppards and Chase have given and have not withdrawn their respective written consents to the issue of this document with the inclusion therein of copies of their respective letters relating to the profit forecast in the form and context in which they are included.

The above-mentioned consents, the statement of the adjustments made by Peat, Marwick, Mitchell & Co. in arriving at the figures set out in their Report and the reasons therefor and copies of the Material Contracts listed above have been attached to the copy of this document delivered to the Registrar of Companies for registration.

Copies of the following documents may be inspected at the offices of Linklaters & Paines, Barrington House, 59/67 Gresham Street, London, EC2V 7JA during usual business hours on any weekday (Saturdays excepted) for a period of fourteen days following the date of publication of this document:–

(i) the Memorandum and Articles of Association of the Company;
(ii) the documents delivered to the Registrar of Companies mentioned above;
(iii) the report of Peat, Marwick, Mitchell & Co.;
(iv) the report of Walker Son & Packman; and
(v) *the audited consolidated accounts of the Company and its subsidiaries for the two financial years ended* 30th June, 1974 and for the six months ended 31st December, 1974.

Dated 26th June, 1975.

THE JOBS COLUMN

Gwlad · Six accountants

BY MICHAEL DIXON

SINCE remarking a fortnight ago that I didn't like the Gower Peninsula near Swansea, I have had 17 letters and three telephone calls from Welsh persons evidently doubting my ability to form sane judgments about anything, and demanding the reasons for this extraordinary opinion.

At first I took those as evidence of grievously wounded national pride. So I decided to show my admiration for Wales in a manner to which few English . . . well, men could aspire—to wit, by writing out from memory:

Gwlad! Gwlad! Pleidiol wyf
i'm gwlad
Tra mor yn fur i'r bur hoff
bau,
O bydded i'r hen iaith barhau.

That might win sympathy for the confession that I formed my opinion of the Gower when trapped there at the end of a summer when the locals were no longer interested even in fleecing me as a tourist. The hotel room walls were very thin, which might have offered diverting eavesdropping but didn't: my neighbours were both also lonely men, and they simply snored stridently all night. The pub tables were awash with warm beer. Amid the general drabness of life, the landscape probably hadn't a chance to impress.

On receiving the third telephone call of complaint, however, I asked the caller why he wanted to know why I didn't like the place. Came the dawn.

He wanted my reasons, he said, because his company was anxious to find out why it has difficulty in attracting good staff to move home to work in the area.

Obviously they cannot all have the same reasons as mine, so I have tried to think out an answer. My only conclusion is that, by comparison with those in other regions, employers in holiday-type places tend to offer lower salaries, expecting potential recruits to look on the local amenities as part of the pay package. Naturally, strangers won't always do so, especially if they are accountants.

Which, I suppose, amounts to a comment on the salary levels of the first jobs this week.

RONALD MUMFORD, chairman and chief executive of Plymouth-based Western Motor Holdings, is looking for a financial controller who will be able to earn himself a seat on this public company's board.

The 1,200—employee group has subsidiaries in vehicle-delivery and in warehousing and distribution whose operations cover the United Kingdom, and a third, motor-retailing subsidiary dealing mainly in Devon and Cornwall. The combined turnover is at present more than £12.5m.

The newcomer, who will report to Mr. Mumford and be a member of the top day-to-day management team, will have charge of the total accounting function of the group and have responsibility, through their own respective accountants, for the financial control and accounting of the three subsidiaries.

At Plymouth the financial controller will have direct control of a small staff, some of them working in computer operations which the company plans to enrich soon with a more sophisticated installation.

Ronald Mumford (Drake House, Laira Bridge Road, Plymouth PL4 9LS—Tel. 68411) would like to hear from chartered accountants with experience of broad financial control in a similarly sized group or a head office controlling satellite operations. He also specifies familiarity with computer techniques and systems. The age range is a stretchable 35-45. Salary up to £6,000. Perks include car and contributory pension.

AS a result of an August move of head office from London-and-Liverpool to pleasant Cheltenham, the Kraft Foods group also is looking for accountants. The jobs are senior management auditor; production accountant; capital expenditure accountant; and financial accountant.

The task for the recruits will be to lead and control the particular functions whose ways of operating will be changed by the move, says Ian Bowers, the consulant who is helping the U.S.-owned group with the appointments.

Candidates should be qualified by examination or/and experience for the work. No age specified. Salaries up to £4,500. Removal expenses and "normal large company benefits."

Applications to Dr. Bowers at Hoggett Bowers and Partners, Europa House, Queens Road, Bristol BS8 1AU—Telephone 312362.

BRISTOL is the base of the S. Carwardine company which is looking for a chief accountant, professionally qualified and with industrial experience, preferably in catering or food. Responsibility is for whole financial and especially management accounting function. Salary range £5,000-£6,000. Applicants should telephone Neville Oddy of Professional and Executive Recruitment on Bristol 299854.

PER'S head office (4-5 Grosvenor Place, London SW1X 7SB—Telephone 01-235 7030) has weighed in this week with an opening for an information services manager with U.S.-owned Nashua Copycat, whose business is in office copying equipment and supplies. The ideal would be a graduate of 35-plus with about seven years' data-processing experience, two years of it at senior level. The company, soon to move from London to Hounslow, is offering a salary of £5,000 to £6,000. Apply to Audrey MacKellar, extension 210.

BANKING APPOINTMENTS

APPOINTMENTS ALSO APPEAR TO-DAY ON PAGE 6

PERSONAL

BANKING APPOINTMENTS APPEAR EVERY MONDAY

COMPANY NOTICES

APPOINTMENTS

Coalite & Chemical chief executive

Mr. C. E. Needham becomes sole managing director of COALITE AND CHEMICAL PRODUCTS from to-morrow. Mr. Albert Goodsell has resigned, upon retirement, as joint managing director of the company and all its subsidiaries. He also relinquishes his seat on the Boards of all those companies.

*

Mr. John Reeve, formerly managing director of COSTAIN CONSTRUCTION, has been appointed chairman. Mr. Derek Anderson has been made managing director and divisional manager of the building division.

*

Mr. N. Pilkington has been elected deputy chairman of the SOCIETY OF INVESTMENT ANALYSTS. He is expected to take office as chairman in succession to Mr. R. E. Artus at the next annual meeting to be held in November.

*

Mr. H. R. Sykes has been appointed assistant group managing director of the BATH AND PORTLAND GROUP and has resigned from the Board of SIMON ENGINEERING.

*

Mr. James Scrimgeour, chairman of HUME HOLDINGS for the past 22 years, retires from the Board to-day having reached the age of 72. Mr. J. Kenneth Dick, the deputy chairman, becomes chairman of that company and also joins the Board of ROTHSCHILD INVESTMENT TRUST. Mr. Louis Ginsburg is to join the Board of Hume as the representative of RIT, which now holds about 26 per cent. of the issued share capital of Hume.

*

Mr. W. T. Robinson has joined MIDLAND AND INTERNATIONAL BANKS as a general manager.

*

Mr. Brian W. Davies has become marketing director, Mr. Robin Platt a director, and Mr. G. Stork secretary, of BARTOL PLASTICS, a member of the Hepworth Ceramic Holdings group.

*

Mr. A. H. Angus and Mr. G. Balfour have been elected chairman and deputy chairman, respectively, of the COMPANY AND LLOYD'S ADJUSTERS OF CLAIMS for 1975-76.

*

Mr. Paul Seymour has been appointed actuary of TARGET LIFE ASSURANCE COMPANY and has been made a director. Mr. A. S. Clarke has retired as actuary but remains on the Board.

*

MARDON PACKAGING INTERNATIONAL has made the following changes in the Boards of its subsidiaries.

Thomas Forman & Sons: Mr. A. G. Latty, managing director, will be retiring on May 31, 1976. Mr. R. E. Illingworth to become managing director (designate) on November 1.

Mardon Illingworth: Mr. Illingworth relinquishes his position as managing director on October 31. Mr. G. R. J. Bond is appointed, with effect from August 1, managing director (designate), becoming managing director on November 1.

Celloglas: Mr. Bond relinquishes his post as managing director on July 31. Mr. R. G. Fox is appointed managing director from August 1. Mr. K. C. Mardon becomes sales director from August 1.

Duffin Containers: Mr. E. G. Duffin has retired as managing director and is succeeded by Mr. R. W. Freeman from to-morrow.

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TENNIS BY JOHN BARRETT

Wimbledon expects fine display by ladies

AS EXPECTED, Wimbledon '75 has proved to be a tasty vintage, combining the sweetness of young champions nearing maturity with the sharper flavour of some unexpected upsets. Throughout the first glorious week, the record crowds, with a seemingly unquenchable thirst for tennis, have taken deep draughts, to create from the very outset a heady atmosphere of spectacular happenings that shows no sign of diminishing.

When before at Wimbledon have the first and second seeded pairs in the men's doubles, as well as the top ladies' pair, all been defeated before the end of the first week? And when, if at all, has a past champion with serious pretensions to a second title been dismissed in his opening match by a novice with a mere four games to his credit as the American, Stan Smith, was on Tuesday by the 22-year-old South African Byron Bertram?

'The vicar'

Some impressive performances on Saturday brought both singles events neatly to the quarter-final stage, with the four-set defeat of the 40-year-old second seed, Ken Rosewall, by another Australian 10 years his junior, the 16th seed, Tony Roche, as the only result to upset the form book.

To-day the ladies hold the centre of the stage, and the only match which I can forecast with any confidence involves the champion, Chris Evert, against the powerful Dutch girl, Betty Stove, who has won most of the world's doubles titles with a variety of partners, but has had less success in singles.

On Saturday she beat the British part-timer, Winnie Wooldridge, not without difficulty, 9—7, 6—3. Miss Evert, though being made to work for her 6—2, 6—4 win against Lindsey Beaven, the young doctor of divinity from Middlesex known to her friends as "the vicar,"

VIRGINIA WADE:
A win full of character

was dauntingly accurate and powerful from the base-line when it mattered.

The survivor here will meet either Billie Jean King, the third seed, or last year's beaten finalist, Olga Morozova (U.S.S.R.) who is seeded seventh. The fact that the Russian girl won at the same stage last year against Mrs. King is irrelevant, for the American looks altogether sharper and more purposeful than she did then. I fancy Mrs. King will gain revenge and move nearer to a possible sixth Wimbledon singles title, for if anyone here is to beat the redoubtable Miss Evert, then she is the one with the power, the confidence and experience to do it.

The sixth seed is Virginia Wade, who answered most of my doubts on Saturday with a fine 6-4, 4-6, 6-4 win, full of character, against Rosemary Casals (U.S.). If only she could always play like this. To-day she will need to continue the momentum she has created if she is to bring down the fourth seed, Mrs. Evonne Cawley, the champion here in 1971. It is at this stage that Miss Wade has three times faltered before.

Thrashing

The match between a marvellously restored Margaret Court (Australia), who is a three-time champion here and the fifth seed this time, and the young second seed from Czechoslovakia, Martina Navratilova, is an intriguing one. Last January in the Australian Open, when Mrs. Court was resuming activity after the arrival of her second child, the Czech girl won 6-4, 6-4. On Saturday, both played magnificently—Miss Navratilova thrashing the best of the young Russians, Natasha Chmyriova, 6-1, 6-0, and Mrs. Court defeating our own Glynis Coles, 6-2, 6-2.

Later, the English girl joined fellow Wightman Cup player, Sue Barker, to win 6—4 the deciding set against the holders and top doubles seeds, Mrs. Cawley and Peggy Michel (U.S.) to prove that the two match points they had squandered late on Friday night had been no fluke.

Wilson opens 1975 Royal Show to-day

BY JOHN CHERRINGTON, AGRICULTURAL CORRESPONDENT

THE 1975 Royal Show will be opened this morning by Mr. Harold Wilson, the Prime Minister, at the National Agricultural Centre at Stoneleigh near Kenilworth. It will close on Thursday evening.

The Royal Agricultural Society of England, which organises the event, claims record entries of cattle. Provided there are no outbreaks of disease, pigs will be present for the first time for a couple of years.

International representation will be particularly strong this year, with Australia and Kenya sponsoring pavilions to match those from EEC members Holland, Germany, France and Eire, all of whom were represented last year.

Because of disease restrictions, there can be no competing livestock from the Continent. But animals already in this country can be relied upon to present a picture of the formidable competition that could be provided if ever the disease problem could be overcome and a complete free trade in livestock allowed.

Some 23 per cent. of all trade stands are mounted by foreign exhibitors—about three times the number last year. Countries exhibiting products range from Chile to the USSR. A food hall to be opened by the Minister of Agriculture will give visitors the opportunity of comparing the produce of this and other countries.

The show is opening at a time when there is considerable concern among farmers and some of this will possibly surface while Mr. Wilson is opening or visiting the show. Egg producers are reported to have threatened to demonstrate against the import of French eggs unless they can be assured that they will cease. Mr. Peart, the Minister of Agriculture, has now approached Brussels on this matter.

Commons debate broadcast live

BBC RADIO will broadcast live the House of Common debate on the Third Reading of the Industry Bill Thursday evening on Radio 3.

This will be the first full-scale debate carried nationally on BBC radio during the four-week experiment in Parliamentary broadcasting, although Scotland, Wales and Northern Ireland have all transmitted debates of special relevance to those areas.

Thursday's debate is the final stage of the Bill's progress through the Commons before it is passed to the House of Lords for consideration there.

BSC WASTE HEAT STUDY

A study into whether waste heat from steelworks could be used as a source of district heating has been commissioned by the British Steel Corporation.

It will be carried out by a consortium headed by civil engineering contractor L. G. Mouchel and Partners, and will be part of a BSC energy conservation programme.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

U.S. $ DM Prices exclude inv. $ premium

[illegible]

S.E. List Premium 72¼% (based on $2.3225 per £)

CANADIANS

[illegible]

S.E. List Premium [illegible] (based on $2.2961 per £)
Conversion factor 0.5837 (0.5848)

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS & CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

INDUSTRIALS—Continued

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to corporation tax of 52 per cent. and ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ♦ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ¶ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim; reduced final and/or reduced earnings indicated.
- ¢ Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment.

A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1973-74. @ Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 29

FINANCIAL TIMES
Monday June 30 1975

U.K. Minister in Salisbury 'to listen to views'

BY TONY HAWKINS

SALISBURY, June 29.

IN TALKS aimed at securing agreement on a venue and date for a Rhodesian constitutional conference, the British Minister *of State at the Foreign Office*, Mr. David Ennals, to-day met both Rhodesian Prime Minister Ian Smith and a five man delegation from the African National Council (ANC).

After arriving in Salisbury this morning, Mr. Ennals spent 90 minutes in talks with Mr. Smith at the Prime Minister's residence. Mr. Ennals, who is due to see Mr. Smith again to-morrow afternoon before flying back to *London to-morrow night*, also met Mr. Pat Bashford, leader of the multiracial Central Party, and a delegation from the moderate opposition Rhodesia Party.

On his arrival at Salisbury airport this morning, Mr. Ennals *was met by the Rhodesian* Minister of Foreign Affairs and Defence, Mr. Pieter van Der Byl. The British Minister stressed that he had not come to participate in any "substantive" *negotiations nor did he want to* go back over the past.

"My purpose will be to discuss how matters can be moved forward in a constructive way and how Britain can help in the achievement of a solution which will provide a secure future for all Rhodesians—Africans, Europeans, Coloureds and Asians."

Mr. Ennals said his main task in Rhodesia would be to listen to the views which he could then take back to the British Government. He described his week-end talks with the South African Prime Minister, Mr. John Vorster, and Foreign Minister, Dr. Hilgard Muller, as "very full and useful."

Smith also held talks with Mr. *Vorster at the weekend, after* flying to Pretoria on Saturday morning to watch the Rugby international between France and South Africa. He was accompanied by some of his *Minister: and stayed with Mr.* Vorster at his official residence where the two men discussed further moves in the Rhodesian settlement situation.

This evening, Mr. Ennals was meeting an ANC delegation led by its President, Bishop Abel *Muzorewa, but also including Mr.* Joshua Nkomo, the veteran nationalist leader.

The ANC delegation spent 105 minutes with Mr. Ennals and said that they would see him again before he left for London though neither side gave any *details of the talks*.

Mr. Nkomo's presence in the five-man delegation has helped to *still some of the speculation that* he is on the brink of breaking from the ANC and forming his *own party*.

This speculation gathered momentum on Saturday after reports in the British and South African Press—inspired by Mr. Nkomo's Zanu rivals, according *to his Zapu followers—that* Mr. Nkomo was about to enter into a "sell-out" deal with Mr. Smith.

It also followed a television interview last week in which Mr. Smith while claiming that he did not want to see a split in the ANC, described Mr. Nkomo *favourably as a man* "with the qualities of leadership." On Saturday afternoon, six members of the ANC met Bishop Muzorewa amid speculation that they were preparing to expel the Zapu leader.

Mr. Nkomo is scheduled to hold a new conference here tomorrow at which he will denounce those responsible for *spreading rumours* and will also state that, until there is a party congress of the ANC, no one is *in any position to suspend or* expel him.

Heath ready to heal rift with Thatcher

By John Bourne, Lobby Editor

MR. EDWARD HEATH is now *in a mood* to heal the breach with Mrs. Margaret Thatcher, the Tory leader, which culminated in the recent dispute over whether or not she had specifically offered him a post in her "shadow" Cabinet last February.

One of those close to Mr. Heath *said yesterday* that he would "not necessarily" be opposed to serving under her now, if she were *to offer him* a suitable post when she made any "shadow" Cabinet changes.

It was pointed out that *in* February, Mr. Heath had believed it would be wrong, and also unfair to Mrs. Thatcher, to take such a post because she *and* her supporters then had views on policy which differed strongly from those held by him.

Surprised

At the moment, however, it is claimed Mr. Heath thinks the extreme views in the "shadow" Cabinet on the need for a free market economy have been *slightly watered down*. Also he is said to believe that Mrs. Thatcher's team will need to be strengthened *at some stage*.

In the "shadow" Cabinet itself, some of Mr. Heath's old supporters would be surprised either if Mrs. Thatcher decided on a reshuffle soon, or if she did, whether the extreme policy views would have been altered enough by then for Mr. Heath to accept a post.

They maintain that the free market philosophy to which Mr. Heath objects is being pressed not only by Sir Keith Joseph but also by Sir Geoffrey Howe, QC, the "shadow" Chancellor, *and that these views may in* discussions this week push the moderates further than Mr. Heath or they would wish.

A senior member of the "shadow" Cabinet, Lord Hailsham, former Conservative Lord Chancellor, yesterday made a gesture to try to heal the divisions between Mrs. Thatcher and Mr. Heath.

Writing in the *Sunday* Express, he said that the credit for last Thursday's Tory by-election victory at West Woolwich lay almost equally between Mr. Heath and Mrs. Thatcher.

Support

In a passage clearly aimed at Sir Keith's free market views, Lord Hailsham said he hoped the Party would not give too many pledges to fortune by adopting unbending ideological poses. "The real divide in politics at the moment is between those who believe in a mixed economy and those who do not.

"The Conservative Party must *cater for those who do, and, if* it produces a group of proposals designed to deal with the present crisis, it will need, in order to carry them through, the tacit support of very many people who may even have voted on party lines for Liberal and Labour candidates at the last election.

"Mrs. Thatchers task is to *convince the public, not that she* holds views of nondescript character, but that her Government, *when it comes*, will be impartially conceived, that it will put national necessities first, and not force ideological conceptions down the throats of unwilling minorities."

THE LEX COLUMN

Making a stand at Coats

British Leyland crumbled and the institutions—publicly, at least—said nothing. Burmah Oil embarked on its fatal plans for world domination, and the City scarcely *murmured*. Scores of more or less deserving companies have held out their hands for cash, and the money has poured unquestioningly in. But now the institutions *are on the* warpath. Protests are gathering momentum from Charlotte Square to Throgmorton Street, and the possibility of rejecting a company's *accounts is being* seriously discussed.

What great issue has caused this anger? The answer is a figure of £7m.—equivalent to about 1 per cent. of the money raised by rights issues this year. This is the gross amount of the final dividend which Coats Patons unwisely decided to omit this year, and it is all that we are talking about since *Coats has promised that it will* not do the same thing again: it is as near certain as these things can be that no one else is going to follow the example *of a company which, in trying* to save itself £2½m. of Advance Corporation Tax, has had a substantially larger sum wiped off its market capitalisation.

It would be naive to think that the damage done to the share *price—which has swung from a* low point of 23½p up to 58p and back down to 45p over the past six months—would be instantly repaired if Coats' management *revoked their decision* at gunpoint. Too much bitterness has been generated for that to happen. And it would be wrong to think that such a move would necessarily be to the best advantage of all the shareholders. The pension funds, the high yield unit trusts, and the public trustee office all have reason to be annoyed. But for the shareholder paying tax at the standard rate, it remains true that the dividend money can produce a higher return if it is left *in the company's hands* rather than distributed.

Of course the institutions are perfectly at liberty to protest against the dividend decision. But they have already made their point, and now have to *decide whether they really think* that this is the most suitable platform for an historic clash between a company and its shareholders. It would seem a *bizarre choice*; and one which would not help bodies like the City Capital Markets Committee in their attempts to demonstrate that the City is *not simply* motivated by self-interest.

Winners and losers

In spite of the loss of confidence this month the stock *market has displayed what must* be easily a record performance in a calendar half-year: since January 2 the All-Share Index has rallied by 111 per cent. Thanks to *Datastream* International it is possible to reveal what this overall strength has meant for the performance of individual shares: as many as *16 high flyers have managed* to treble or better, while on the other hand quite a number of medium and large companies (with a minimum £5m. capital*isation) have risen by less than* a quarter—with two showing losses.

The lists reveal some fairly clear patterns. To start with, the leader table is liberally sprinkled with representatives *of the classic early bull market* recovery sectors, notably building materials and merchant banks. Normally a list of laggards is less easily categorised, but *in this case the pressures* on whisky distillers and the property sector come over very clearly, while holders of a number of shipping shares have been *paying for the comparatively* smooth run they enjoyed last year.

Among the winners the general easing of liquidity pressures, and the partial re-acceptance by the market of *high gearing*, is a *common* thread in many cases—though there is no particular message about rights issues, for the *leaders score only three against* the laggards' two on this count. And the absence of any of ... more delicately placed property shares from the top 20 is a reminder that the problems ... the property sector have proved *to be more deep-rooted* than those of manufacturing industry.

The three food manufacturers in the list of winners owe something to price code relaxations as well as to the *passing of some of the liquidity* worries (aided by rights issues) for the two biscuit companies. The insurance brokers can offer high overseas earnings, and have bounced back sharply now that low yields are not the ... point they were in 1974. As Thomson, the North Sea ... become a glamour area and though only Cawoods among the rest of the list has gained much of a bonus from this change in sentiment.

As for the laggards, ... *profits and liquidity squeeze* whisky has put three shares in the list, and the drinks sector has also contributed Sandeman, victim of Portuguese turmoil and *duty rises in the U.K.* ... property representatives ... to be those which fared relatively well in 1974—AIP ... a bid hope at the start of the year. Otherwise there are nationalisation stocks ... Hunter and LOFS), three from the depressed metals and commodities groups, and the usual batch of hard luck and bad management stories: ... *Burmah has been tumbling* ... has risen 163 per cent. in the period.

LEADERS AND LAGGARDS
January-June 1975

LEADERS	% gain	LAGGARDS	% gain
1 Thomson Organisation	346	1 Burmah Oil	loss [illegible]
2 Rowntree Mackintosh	297	2 George Sandeman	loss [illegible]
3 Taylor Woodrow	276	3 LRC International	[illegible]
4 Trafalgar House	273	4 City Offices	[illegible]
5 Blackwood Hodge	272	5 Amal. Inv. and Prop.	[illegible]
6 Alexander Howden	255	6 John Brown	[illegible]
7 Hill Samuel	246	7 Swan Hunter	[illegible]
8 Babcock and Wilcox	242	8 Sheaf Steam	[illegible]
9 United Biscuits	232	9 LOFS	[illegible]
10 Norcros	217	10 Plantation Holdings	[illegible]
11 Hepworth Ceramic	216	11 London Merchant Secs.	[illegible]
12 Bridon	214	12 Glenlivet Distillers	[illegible]
13 Schroders	212	13 Consolidated Goldfields	[illegible]
14 London Brick	207	14 Manchester Liners	[illegible]
15 Kleinwort Benson	202	15 Alexanders Discount	[illegible]
16 Leslie and Godwin	200	16 Reardon Smith	[illegible]
17 Associated Biscuit	198	17 Highland Distillers	[illegible]
18 Cawoods	196	18 Consolidated Tin Smelters	[illegible]
19 Thomas Tilling	195	19 Land Investors	[illegible]
20 Hambros	188	20 Arthur Bell	[illegible]

Price changes between January 2 and June 27.
Minimum size: capitalisation £5m. on January 2.
Source: dataSTREAM.

Food cost rises to record £3.46 per person

Financial Times Reporter

THE WEEKLY food bill for the average family in Britain rose to *a record £3.46 per person in the* first three months of this year, a National Food Survey report published to-day by the Ministry of Agriculture shows.

The figures coincide with the latest Financial Times Grocery Prices Index, which shows that *last week, the price of the FT* "shopping basket" was 5.2 per cent. above the May level, and 30 *per cent. up on a year ago.* (Details Page 9.)

The Ministry of Agriculture survey shows a rise in the family food bill of 6.4 per cent. on the *previous quarter* and nearly 19 per cent. more than over the first quarter of 1974, when fuel and *power restrictions probably* affected expenditure.

Compared with the first quarter only five years ago, when expenditure was just over £2.02 per person a week, it rose by more than 71 per cent.

Food prices rose by an average 15.1 per cent. between the first quarter of 1974 and the same period this year. Spending on *beef rose by more than 6p per* person to almost 33p a week, on sugar by 4.35p to just under 9p, *and on many other items by an* additional one to two pence per person. The only reductions in prices or spending were on eggs, down 2p a person, pork (0.4p), and sausages (0.21p).

Pensioners

The survey of a sample of nearly 2,000 households covers expenditure on all food bought for eating in the home, excluding sweets and soft drinks. *Calculations of the average* energy value and nutrient content show that in the main they *compare favourably with recommended* levels, although the energy value dipped about 5 per cent. below the recommended level, mainly as a result of a cut in sugar purchases.

Consumption of sweets and chocolates, snacks and alcohol would have provided a big but unrecorded boost to energy values.

The first three months of this year was the first full quarter when the 20p-a-week beef coupon scheme for pensioners was operating. In pensioner households, the average consumption *of beef rose by nearly three* ounces a week (largely offset by a decrease in lamb purchases) *which on a national basis meant* that pensioners helped to eat away over 10,000 tons of the sur*plus beef supplies that were over*hanging the market.

Following the success of the beef scheme *for pensioners, it is* likely to be considered again as a means of using up surplus quantities of beef that may come on to the *market* this autumn. Beef consumption generally reached the highest level for seven years during the quarter. Cheese consumption reached a record level of 3.9 ounces per person a week.

Derbyshire miners meet to-day to decide on claim

BY JOHN WYLES, LABOUR REPORTER

THE EXTENT of any challenge by the National Union of Mine*workers to current TUC initia*tives against inflation, including the flat rate pay rise proposals, may well be determined by a crucial meeting to-day of leaders of 12,500 Derbyshire miners.

They will be deciding *whether to support the pay* motion demanding pay rises of up to 95 per cent. tabled for next week's annual NUM conference by Mr. Arthur Scargill's militant Yorkshire area. If Derbyshire backs the motion, it is virtually certain to win a majority at the Scarborough conference because of pledges already given by other NUM areas.

The NUM would then be committed to demanding new minimum rates from November of £80 a week on the surface and £100 at the coalface compared with £41 and £61 fixed by last March's deal. With the Amalgamated Union of Engineering Workers already opposed to any exercise of pay restraint through the social contract, such a claim from the NUM would strike at the very heart of the Government's hopes that the TUC will deliver *an effective commitment to* restrain wages.

It is for this reason that the *Yorkshire motion is becoming* the focus of Left-wing efforts to fight pay restraint. There will be intense lobbying among the 27 members of the NUM's national executive when they gather in Scarborough at the week-end in a bid to forestall any attempt by the Prime Minister to rally support behind the moderates when he *addresses to conference on* Monday.

In particular, Mr. Scargill and Mr. Mick McGahey, *who is* expected to be re-elected NUM vice-president next week will try to avoid a repetition of last year's conference when a similar hard-line resolution was unexpectedly defeated because delegates from the Midlands coalfields ignored their mandate and backed the NUM moderates.

Votes cast at an NUM conference are based on each area's membership and fluctuations over the past year have left the final figures uncertain. *NUM moderates*, whose lobbying will be no less vigorous than the left's next week-end, *are optimistic that if Derby*sh.re opposes the £100 motion then the militants can be defeated for a second year running.

Derbyshire has swung Left in recent years but its leadership is still less hard-line on *some issues than South Wales* or Scotland.

Ironically, the Left-w'ng motion proposes virtual flat rate increases of £39 a week for all miners and would therefore distort differentials established by the last agree*ment*.

It was partly for this reason that Mr. Lawrence Daly, the NUM's general secretary, argued against Mr. Jack Jones' flat-rate idea when it was discussed at last week's TUC general council.

Tough warning about effects of 10% wage norm plan

BY ANTHONY HARRIS

A 10 PER CENT. wage norm, if rigidly enforced, would reduce inflation to 10 per cent. within a year. But it would involve a temporary cut in living standards of 9 per cent., according to the *monthly economic forecast from* stockbrokers Phillips and Drew, published to-day.

Because it would be impossible to get voluntary agreement to such a cut, the forecast concludes that an indexed wage freeze, allowing one per cent. wage increases for each percentage rise in the cost of living, is a likelier outcome of the present wage discussions. This would reduce inflation to 17½ per cent. by the end of 1976, with a temporary *reduction in real wages of 4-5* per cent.

Dr. Paul Neild, Phillips and Drew's *senior economist*, said yesterday that Mr. Denis Healey's aim of reducing the inflation *rate to 10 per cent. by next* September implied the biggest cutback in living standards *since records began*.

The estimates in the P and D report have been received with acute scepticism in Whitehall, where the Treasury has been engaged in its own analysis of the implications of severe effective wage restraint. While it is conceded both by the Government and by the TUC that a sharp reduction in wage increases would lead to a temporary fall in real wages, *nothing on so forbidding a scale* is thought likely.

The P and D model rests on an analysis of the relation between wages and prices, and reflects a severe bunching of price increases already in the pipeline over the early stages of a wage restraint policy. After a period the curves would converge again, so that the nine per cent. squeeze on real wages would only arise during a single quarter.

End of the year

The forecast offers no detailed calculation for the 10 per cent. *wage norm. But the pattern is* illustrated by the figures for an indexed freeze. Prices would *run ahead of wages for a full* year of such a freeze on a year-on-year comparison, but by the *end of the year the gap would* have closed to about 1½ per cent.

In the second year of such a freeze, real wages would be virtually constant, and thereafter there would be a slight gain, as the benefits of productivity enabled both wage and price inflation to slow down gently.

Living standards would be more seriously affected, according to the analysis, because of the "severe" effect of the April Budget, which has held the *growth of disposable income well* behind that of real wages. It is assumed that the Government *will have to cut public spending* by £1½bn. in real terms and make a further increase in VAT in order to check the growth of the borrowing requirement.

Apart from assumptions about Government policy, the model of the wage-price relationship used in this forecast is clearly contentious.

For example, the National Institute of Economic and Social Research, in its most recent forecast, assumed for both 1975 and 1976 a higher figure for the rise in earnings than the central forecast of Phillips and Drew. But the NIESR model in each case produced a substantially *lower* figure for price inflation *associated with this wage* increase.

An important difference *appears to be the implicit* assumptions about productivity. P and D assumes a "trend" *improvement of 2½ per cent.* annually. But other models take account of the tendency for employers to reduce their labour force in response to high wage pressure, even in a recession. Wages have correspondingly less effect on prices, but more on unemployment, in other models than in the P and D model.

FAR EAST SUEZ SURCHARGE CUT

From Monday, member-lines of the Far Eastern Freight Conference are to reduce the *Suez surcharge from 7.5 per cent.* to 6 per cent., and the bunker adjustment factor also will be *cut from 2.22 per cent. to 20.08* per cent., because of the ability of vessels to use the reopened Canal.

Weather

U.K. TO-DAY

DRY, with periods of sunshine.

London, E. Anglia, Cent. S. England

Sunny intervals. Dry. Wind N.E. moderate. Max. 21C. (70F.)

S.E. England, Channel Is.

Sunny intervals. Perhaps a few showers at first. Wind N.E., moderate. Max. 19C. (66F.) but *cool near coasts*.

Midlands, S.W., N.W. and Cent. N. England, Wales

Sunny periods. Dry. Wind E. or N.E., light or moderate. Max. 22C. (72F.).

E. and N.E. England

Dry. Sunny intervals. Wind N.E., light or moderate. Max. 20C. (68F.), but cooler near coasts.

Lakes, I. of Man, Borders, Edinburgh, Dundee, Aberdeen, Glasgow, S.W. Scotland, Cent. Highlands, Moray Firth, Argyll, N. Ireland

Dry. Sunny periods. Wind light and variable. Max. 20C. (68F.).

N.E. and N.W. Scotland

Rather cloudy at times. A few sunny intervals. Mainly dry. *Wind* S.W., light. Max. 18C. (64F.).

Orkney, Shetlands

Rather *cloudy. Perhaps drizzle* at times. Some bright intervals. Wind S.W., light or moderate. Max. 15C. (59F.).

Outlook: Mostly dry with sunny spells, but cloudy *over* N. Scotland with some rain later. Becoming warm generally.

Lighting up: London 21.51, Manchester 22.12, Glasgow 22.36, Belfast 22.34.

Pollen count: London, Saturday 14, low. Forecast similar.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	S	28	82	Madrid	S	28	82
Amstrdm	F	17	63	Manchestr	F	16	61
Athens	F	29	84	Melbourne	F	14	57
Barcelona	S	26	74	Milan	F	28	82
Beirut	S	27	81	Montreal	C	26	78
Belfast	S	19	66	Moscow	S	23	73
Belgrade	F	24	75	Munich	C	13	55
Berlin	C	16	61	Newcastle	F	14	57
Birmgham	F	15	59	New York	F	23	73
Bristol	C	15	59	Oslo	S	22	72
Brussels	F	17	63	Paris	F	16	61
Budapest	S	22	72	Perth	F	17	63
B. Aires	C	14	57	Prague	F	17	63
Cairo	S	35	95	Reykjavik	C	8	46
Cardiff	S	16	61	Rio de J'o	C	26	78
Cologne	C	16	61	Rome	S	28	82
Copnhagn	F	16	61	Singapore	C	30	85
Dublin	C	16	61	Stockholm	F	19	66
Edinburgh	S	16	61	Strasbourg	C	17	63
Frankfurt	C	16	61	Sydney	F	19	67
Geneva	C	19	66	Tehran	S	38	100
Glasgow	S	19	66	Tel Aviv	S	27	81
Helsinki	C	15	59	Tokyo	S	26	78
H. Kong	C	28	82	Toronto	S	27	80
Jo'burg	S	19	66	Vienna	F	19	66
Lisbon	F	22	72	Warsaw	C	13	55
London	C	16	61	Zurich	C	12	54
Luxembrg	F	15	59				

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	26	79	Jersey	F	15	59
Algiers	S	29	84	Las Plmas	S	23	73
Biarritz	S	22	72	Locarno	C	25	77
Blackpool	S	19	66	Majorca	S	27	81
Bordeaux	S	21	70	Malaga	S	26	79
Boulogne	F	16	61	Malta	S	32	90
Casablnca	F	22	72	Nairobi	C	20	68
Cape Tn	C	20	68	Naples	S	27	81
Corfu	F	30	86	Nice	F	24	75
Dubrovnik	S	26	79	Nicosia	S	27	81
Faro	S	22	72	Oporto	C	20	68
Florence	F	28	82	Rhodes	S	29	84
Funchal	F	21	70	Salzburg	R	15	59
Gibraltar	S	27	81	Tangier	S	23	73
Guernsey	S	16	61	Tenerife	F	19	66
Innsbruck	F	18	64	Tunis	S	33	91
Inverness	S	17	63	Valencia	S	31	88
I. of Man	S	14	57	Venice	S	26	79
Istanbul	S	27	81				

S—Sunny. C—Cloudy. R—Rain. F—Fair.

Continued from Page 1

Mrs. Gandhi holds dissent

broke out in the television headquarters of All-India Radio, the state broadcasting *organisation*. About 100 firemen fought it and later police cordoned off the area.

It is difficult to assess the full *extent of the crackdown*, and must be impossible for the average Indian to know. No one can be sure how many people have been arrested, where they are or *what is happening to them*, because the Government has refused to say, but I understand that those detained include university teachers as well as the obvious political figures from both Left and Right.

Had it not been that friends of Mr. Jayaprakash Narayan leaked the news of his arrest, and some papers were able to get out special Thursday editions, India might not have been told that anyone had been arrested.

There were no papers on Friday because the Government cut off their power supplies. The papers appeared on Saturday, some with blank spaces where *the editorial* comment would have been. But from to-day the censor has also censored white spaces.

Trigger

To-day was to have been the *start* of the Satyagraha non-violent protest. It was the prospect of this, together with stirrings in the *Congress Party*, which was the trigger for Mrs. Gandhi's crackdown. She had been given a foretaste of her declining popularity on Wednesday when Mr. Narayan at short notice addressed a crowd 100,000 *strong in Delhi*. This was not much smaller than the one Mrs. Gandhi had been able to muster a few days before, with much more notice and practically the complete fleet of the Delhi municipal transport to bring people in from miles around.

Contrary to some reports, Mr. Jagjivan Ram, the Food Minister, has not been placed under house arrest, although the guard on his house was strengthened. According to reliable reports, when questioned about his attitude to Mrs. Gandhi's position, he would *say only*: "It is very sultry. We badly need some rain."

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